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Version 0.1 for public consultation

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## **SEPA INSTANT CREDIT TRANSFER**

### **SCHEME RULEBOOK**

**Version 0.1 for public consultation**

**from 12 April to 10 July 2016**

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## 0. DOCUMENT INFORMATION

### 0.1 References

This section lists documents referred to in the Rulebook. The convention used throughout is to provide the reference number only, in square brackets. Use of square brackets throughout is exclusively for this purpose.

	Document Number	Title	Issued by:
[1]	TBD	SEPA Instant Credit Transfer Scheme Interbank Implementation Guidelines	EPC
[3]	ISO 13616	Financial services - International bank account number (IBAN) -- Part 1: Structure of the IBAN	EPC
[4]	EPC265-03	EPC Resolution on Receiver Capability	EPC
[5]	ISO 3166	Country Codes	ISO
[6]	ISO 4217	Currency Code List	ISO
[7]	ISO 9362	Business Identifier Codes (BIC)	ISO
[9]	ISO 20022	Financial services – Universal Financial Industry message scheme	ISO
[10]	TBD	Guide to the Adherence Process for the SEPA Instant Credit Transfer Scheme	EPC
[11]		A Glossary of Terms Used in Payments and Settlement Systems	Bank for International Settlements
[12]	TBD	SEPA Instant Credit Transfer Scheme C2B Implementation Guidelines	EPC
[13]	ISO 11649	Structured creditor references to remittance information	ISO
[14]	EPC409-09	EPC List of SEPA Scheme Countries	EPC
[15]		EACT Unstructured Remittance Standard	EACT
[16]	EPC023-16	Value limit for transactions under the SCT Inst Rulebook	EPC

#### 0.1.1 Defined Terms

This Rulebook makes reference to various defined terms which have a specific meaning in the context of this Rulebook. In this Rulebook, a defined term is indicated with a capital letter. A full list of defined terms can be found in Section 7 of this Rulebook. The Rulebook may make reference to terms that are also used in the Payment Services Directive (PSD). The terms used in this Rulebook may not in all cases correspond in meaning to the same or similar terms used in the PSD.



## 0.2 Change History

Issue number	Dated	Reason for revision
V 0.1	12/04/2016	First version submitted for 90 calendar days public consultation

## 0.3 Purpose of Document

A SEPA Scheme is a set of rules, practices and standards to achieve interoperability for the provision and operation of a SEPA payment instrument agreed at interbank level.

The objectives of the Rulebook are:

- To be the primary source for the definition of the rules and obligations of the Scheme
- To provide authoritative information to Participants and other relevant parties as to how the Scheme functions
- To provide involved parties such as Participants, Clearing and Settlement Mechanisms ("CSMs"), and technology suppliers with relevant information to support development and operational activities

## 0.4 About the EPC

The purpose of the EPC, as one representative of the European Payment Service Providers' sector, is to support and promote European payments integration and development, notably the Single Euro Payments Area<sup>1</sup> ("SEPA").

The mission of the EPC is to contribute to safe, reliable, efficient, economically balanced and sustainable, convenient payments supporting an integrated European economy, its end-users' needs as well as its competitiveness and innovation goals:

- through the development and management of pan-European payment schemes and the formulation of positions and proposals on European payment issues;
- in constant dialogue with other Stakeholders and regulators at European level; and
- taking a strategic and holistic perspective.

The EPC offers one focal point and voice for the Payment Service Providers' sector on all European payment issues, driven by a single vision.

## 0.5 Other Related Documents

The Rulebook is primarily focused on stating the business requirements and interbank rules for the operation of the Scheme. In addition to the Rulebook there are a number of key documents which support the Scheme operationally:

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<sup>1</sup> See reference [14]



### 0.5.1 SEPA Instant Credit Transfer (SCT Inst) Scheme Implementation Guidelines

The complete data requirements for the operation of the Scheme are classifiable according to the following data model layers:

- The business process layer in which the business rules and requirements are defined and the related data elements specified
- The logical data layer which specifies the detailed datasets and attributes and their inter-relationships
- The physical data layer which specifies the representation of data in electronic document formats and messages

This Rulebook focuses on the business process layer and appropriate elements of the logical layer.

The SCT Inst Scheme Implementation Guidelines are available as two complementary documents: the mandatory guidelines regarding the inter-bank messages (SCT Inst Scheme Inter-bank Implementation Guidelines) and the mandatory guidelines regarding the customer-to-bank messages (SCT Inst Scheme Customer-to-Bank Implementation Guidelines).

The SCT Inst Scheme Inter-Bank Implementation Guidelines (reference [1]) and the SCT Inst Scheme Customer-to-Bank Implementation Guidelines (reference [12]) which set out the rules for implementing the credit transfer ISO 20022 XML standards, constitute binding supplements to the Rulebook.

### 0.5.2 SCT Inst Adherence Agreement

The Adherence Agreement, to be signed by Participants, is the document which binds Participants to the terms of the Rulebook. The text of the Adherence Agreement is available in Annex I. The Rulebook and the Adherence Agreement entered into by Participants together constitute a multilateral contract among Participants and the EPC. The rules and procedures for applying to join the Scheme are set out in Scheme Management Internal Rules (the "**Internal Rules**"). In addition, a guidance document (Guide to the Adherence Process for the SEPA Instant Credit Transfer Scheme [10]) is available.



## **1. VISION & OBJECTIVES**

This chapter provides an introduction to the Scheme, setting out the background to the Scheme as well as its aims and objectives.

### **1.1 Vision**

The Scheme provides a set of interbank rules, practices and standards to be complied with by Participants who adhere to the Scheme with minimum conditions required in the customer-to-bank space. It allows payment services providers in SEPA to offer a SEPA-wide euro instant credit transfer product to customers.

The Scheme also provides a common basis on which Participants are able to offer new and innovative services.

The Scheme moves Participants and their customers towards open standards, which are expected to improve financial integration and act as a catalyst for a richer set of products and services.

### **1.2 Objectives**

- SCT Inst will be automated, based on the use of open standards and the best practices of straight through processing (“STP”) without manual intervention
- To provide a framework for the removal of inhibitors and the harmonisation of standards and practices
- To support the achievement of high standards of security, low risk and cost efficiency for all actors in the payments process
- To allow the further development of a healthy and competitive market for payment services and to create conditions for the improvement of services provided to customers

### **1.3 Commercial Context for Users and Providers of Payment Services**

This section provides the general context and background in which the interbank Scheme exists and has been written from an end-to-end point of view.

- The demand for payment services using an SCT Inst arises from an Originator, who wishes to transfer funds instantly for whatever reason to a Beneficiary. Whilst the payment service is provided by a bank, the underlying demand and its nature are outside the control and responsibility of the banking industry or any individual bank
- For this requirement to transfer funds instantly to be satisfied, the bank holding the account of the Originator (the Originator Bank) must have the means necessary to remit the funds instantly to the bank holding the account of the Beneficiary (the Beneficiary Bank) and in the process be provided with the necessary information to accomplish the transfer
- Provided that the Originator has sufficient funds or sufficient credit with which to execute the SCT Inst, provided that the Originator is acting within its authority and provided that the SCT Inst does not break any applicable legal, regulatory, or other requirements, including requirements established by the Originator Bank, then the Originator Bank will process the payment and advise the Originator accordingly





- The means for making the SCT Inst will exist if the Beneficiary Bank has agreed both the method and the rules for receiving the payment information as well as the method and the rules for receiving the payment value
- Based on these means of transfer the Beneficiary Bank will use the information received to make the funds immediately available to the Beneficiary for its use

#### 1.4 Conceptual work flow of an SCT Inst

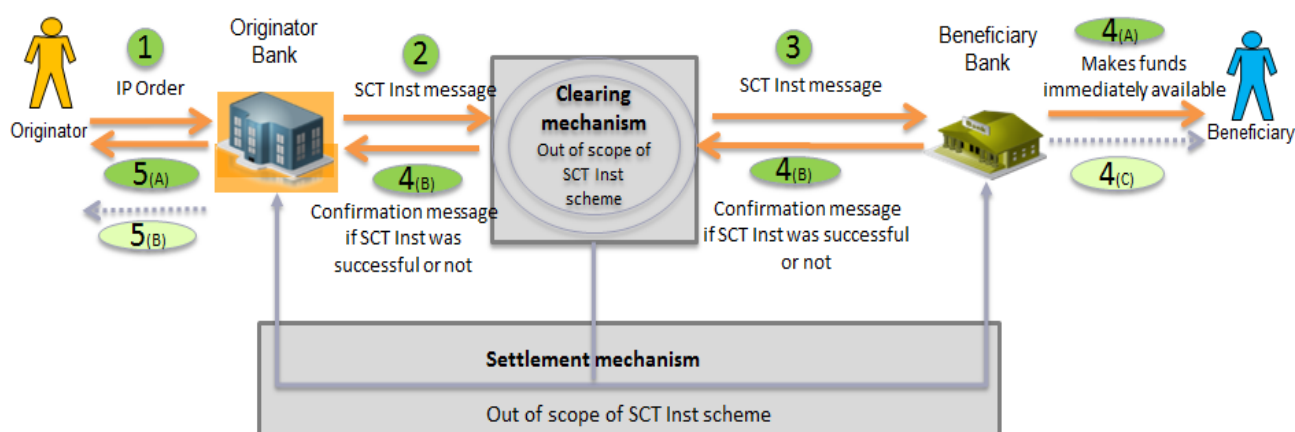


Figure 1: SCT Inst Overview

##### Work flow steps:

- (1) The Originator Bank receives an SCT Inst Instruction from the Originator<sup>2</sup>.
- (2) The Originator Bank verifies if it has all necessary information to execute the SCT Inst Instruction and executes various validation checks.

When these validation checks are successful, the Originator Bank instantly makes a reservation<sup>3</sup> of the amount of the SCT Inst transaction on the Originator's payment account with this information instantly accessible to the Originator and immediately sends an SCT Inst transaction message to the clearing mechanism<sup>4</sup>.

- (3) **Out of scope of the Scheme:** the clearing mechanism directs the SCT Inst transaction message immediately to the concerned Beneficiary Bank.
- (4) The Beneficiary Bank:
  - (A) (i) Verifies if it can apply the SCT Inst transaction to the Beneficiary account and executes various validation checks.

<sup>2</sup> Directly or indirectly initiated in compliance with the Payment Services Directive 2 (PSD2)

<sup>3</sup> See Chapter 7 for the definition of 'Reservation of the Amount'

<sup>4</sup> Clearing mechanisms can be automated clearing houses or other mechanisms such as intra-PSP and intra-PSP group arrangements and bilateral or multilateral agreements between SCT Inst participants.

Clearing in general is the process of transmitting, reconciling and, in some cases, confirming transfer orders prior to settlement, potentially including the netting of orders and the establishment of final positions for settlement.



(ii) When the SCT Inst transaction message is complete and correct and the validation checks are successful, the Beneficiary Bank makes the funds immediately available to the Beneficiary. This action means that the Beneficiary has immediate use of the funds subject to the terms and conditions governing the use of the account of the Beneficiary.

(B) Is obliged to send immediately a message back to the Originator Bank through the same clearing mechanism to confirm whether the SCT Inst transaction has been accepted and funds have been made immediately available to the Beneficiary (*positive confirmation*) or not (*negative confirmation with an immediate reject*).

(C) Sends the Beneficiary an instant notification message about the funds made available to the Beneficiary if agreed with the Beneficiary. The information about the new available funds is instantly accessible to the Beneficiary.

(5) The Originator Bank:

(A) Is **obliged** to inform or to send immediately a **negative** confirmation message to the Originator in case the Originator Bank has received a negative confirmation message from the Beneficiary Bank or the clearing mechanism indicating that the funds had **not** been made available to the Beneficiary.

(B) Sends the Originator an instant notification message about the funds made available to the Beneficiary if agreed with the Originator.

- **Out of scope of the Scheme:** the amount of the SCT Inst transaction is included in the settlement<sup>5</sup> procedure between the Originator Bank and the Beneficiary Bank, and as such credited by the settlement mechanism to the Beneficiary Bank during the settlement process.

## 1.5 Binding Nature of the Rulebook

Becoming a Participant in the Scheme involves signing the Adherence Agreement. By signing the Adherence Agreement, Participants agree to respect the rules described in the Rulebook. The Rulebook describes the liabilities and responsibilities of each Participant in the Scheme.

Participants are free to choose between operating processes themselves, or using intermediaries or outsourcing (partially or completely) to third parties. However, outsourcing or the use of intermediaries does not relieve Participants of the responsibilities defined in the Rulebook.

The Rulebook covers in depth the main aspects of the inter-bank relationships linked to the Scheme. For the relationships between a Participant and its customer, the Rulebook specifies the minimum requirements imposed by the Scheme. For the relationships between an **Originator** and a **Beneficiary**, the Rulebook also specifies the minimum requirements of the Scheme.

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<sup>5</sup> Settlement is the completion of a transaction processing with the aim of discharging the participants' obligations through the transfer of funds



## 1.6 Separation of the Scheme from Infrastructure

It is a key feature of the Scheme that it provides a single set of rules, practices and standards which are then operated by individual Participants and potentially multiple infrastructure providers. Infrastructure providers include clearing and settlement mechanisms (CSMs<sup>6</sup>) of various types and the technology platforms and networks that support them. Infrastructure is an area where market forces operate based on the decisions of Participants.

The result is that the SCT Inst instrument based on a single set of rules, practices and standards is operated on a fully consistent basis by CSMs chosen by individual Participants as the most appropriate for their needs.

## 1.7 Other Features of the Scheme

- Participants which have adhered to the Scheme may participate only through an EEA-licensed branch unless they participate through their SEPA head office (which may be located in a SEPA country or territory outside the EEA)
- The rights and obligations of Participants, and as appropriate their customers, are clear and unambiguous
- Payment messages use open, industry recognised standards
- Compliance with the Scheme ensures interoperability between Participants
- The rules ensure that responsibility for risk management is allocated to where the risk lies and that liability falls where the fault lies
- Individual Participants are free to innovate and satisfy customers' needs in a competitive market place, as long as these innovations do not conflict with the Rulebook.

## 1.8 The Business Benefits of the Scheme

The Scheme provides many customer benefits in terms of cost efficiency, ease of use and immediate availability of funds. It also allows Participants to meet their own mutually beneficial needs in terms of service and innovation for customers.

The key expected benefits are summarised as follows:

### **For Originators and Beneficiaries as users:**

- The services based on the Scheme are available 24 hours a day and on all calendar days of the year.
- Payment certainty for the Originator and the Beneficiary.
- Payments are made for the full Original Amount.
- The Originator and Beneficiary are responsible for their own charges.
- Reachability of Beneficiary accounts of participating Banks within SEPA.
- A target maximum execution time of 10 seconds to process an SCT Inst instruction with the Beneficiary Bank reporting to the Originator Bank either the funds being made available to the Beneficiary or the reject of the SCT Inst transaction.
- The use of accepted standards and data elements facilitates payment initiation and reconciliation on an STP basis.

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<sup>6</sup> A clearing mechanism may also conduct the settlement function.



- Rejects are handled immediately in an automated way.
- The Scheme delivers the end-to-end carrying of customer remittance data on either a structured and unstructured basis.

#### **For Participants:**

- Efficient and effective end-to-end processing of SCT Inst on an STP basis using open and common standards.
- Reachability of Beneficiary accounts of participating Banks within SEPA.
- Enabling a single process across SEPA including Rejects and Recalls.
- Participants can choose the most efficient and cost-effective routing of transactions.
- Establishment of an agreed maximum processing time cycle
- Sound Scheme governance and legal structure.
- Ability to offer Additional Optional Services (“AOS”) on top of the core Scheme elements.
- Satisfies the expectations of stakeholders.

#### **For CSMs:**

The separation of scheme from infrastructure permits the operation of the Scheme by multiple CSMs.

The CSMs may add features and services to the benefit of choice and competition, provided that the rules, practices and standards of the Scheme are fully met.

### **1.9 Common Legal Framework**

It is a prerequisite for the use of the Scheme that the PSD (or provisions or binding practice substantially equivalent to those set out in Titles III and IV of the Payment Services Directive) is implemented or otherwise in force in the national law of SEPA countries.

This Scheme is a ‘payment scheme’ within the meaning of the SEPA Regulation<sup>7</sup>; it is equally relevant for Participants from countries or territories which are also listed in reference [14].

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<sup>7</sup> Regulation (EU) No 260/2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No 924/2009



## **2. SCOPE OF THE SCHEME**

### **2.1 Application to SEPA**

The Scheme is applicable in the countries listed in the EPC List of SEPA Scheme Countries<sup>8</sup>.

### **2.2 Description of Scope of the Scheme**

An SCT Inst is a payment instrument for the execution of credit transfers in euro

- within 10 seconds with the Beneficiary Bank reporting to the Originator Bank either the funds being made available to the Beneficiary or the reject of the SCT Inst transaction,
- between customer payment accounts located in SEPA

The SCT Inst is executed on behalf of an Originator holding a payment account with an Originator Bank in favour of a Beneficiary holding a payment account at a Beneficiary Bank.

The following key elements are included within the scope of the Scheme:

- The services based on the Scheme are available 24 hours a day and on all calendar days of the year.
- A set of interbank rules, practices and standards for the execution of SCT Inst in euro within SEPA by Participants in the Scheme.
- Adherents to the Scheme are Participants who have agreed to subscribe to the Scheme and its rules.
- The Scheme provides the basis for SCT Inst products provided by Participants to all users. Such products provide a straightforward payment instrument, with the necessary reliability and reach to support a competitive marketplace. Participants remain responsible for the products and services provided to their customers.
- The Scheme specifies a minimum set of data elements to be provided by the Originator.
- The Scheme specifies a target maximum execution time of 10 seconds to process an SCT Inst instruction with the Beneficiary Bank reporting to the Originator Bank either the funds being made available to the Beneficiary or the reject of the SCT Inst transaction.
- The Beneficiary Bank needs settlement certainty of the funds it will make available to the Beneficiary. Therefore, the Scheme obliges the Originator Bank to settle a successfully completed SCT Inst transaction and to provide settlement certainty through a settlement mechanism.
- The Scheme specifies a set of positive and negative messages in the interbank area to confirm to the Originator Bank immediately if an SCT Inst transaction has been successfully processed or has been rejected by one of the interbank parties involved.

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<sup>8</sup> See reference [14]



## 2.3 Additional Optional Services

The Scheme recognises that individual Participants and communities of Participants can provide complementary services based on the Scheme so as to meet further specific customer expectations. These are described as Additional Optional Services (“AOS”).

The following two types of AOS are identified:

1. Additional Optional Services provided by banks to their customers as value-added services which are nevertheless based on the core payment schemes. These AOS are purely a matter for banks and their customers in the competitive space.
2. Additional Optional Services provided by local, national and pan-European communities of banks, such as the use of additional data elements in the ISO 20022 XML standards. Any community usage rules for the use of the SEPA core mandatory subset of the ISO 20022 XML standards should also be mentioned in this context, although they are not *per se* AOS. Other AOS may be defined, for example relating to community provided delivery channels for customers.

Participants may only offer AOS in accordance with the following principles:

1. All AOS must not compromise interoperability of the Scheme nor create barriers to competition. The Compliance and Adherence Committee (“CAC”) should deal with any complaints or issues concerning these requirements brought to its attention in relation to compliance with the Rulebook as part of its normal procedures, as set out in the Internal Rules.
2. AOS are part of the market space and should be established and evolve based on market needs. Based on these market needs, the EPC may incorporate commonly used AOS features into the Scheme through the change management processes set out in the Internal Rules.
3. There should be transparency in relation to community AOS. In particular, details of community AOS relating to the use of data elements present in the ISO 20022 XML payment standards (including any community usage rules for the SEPA core mandatory subset) should be disclosed on a publicly available website (in both local language(s) and English).

These AOS are not further described in the Rulebook as they are to be generally considered as competitive offerings provided by both individual Participants and communities of Participants and are therefore out of scope.

## 2.4 Currency

All transactions are in euro in all process stages, including all exception handling, i.e. Rejects, and Recalls.

The accounts of the Originator and of the Beneficiary may be in euro or any other currency. Any currency conversion is executed in the Originator Bank or Beneficiary Bank and is not governed by this Scheme.



## 2.5 Value Limits

The maximum amount per instruction that can be processed under the Scheme is defined in document reference [16]. This amount can be revised in or outside the regular Scheme Rulebook release management cycle as defined in the Scheme Management Internal Rules.

Beneficiary Banks are obliged to accept and process SCT Inst transactions up to and including the maximum amount per instruction.

Any SCT Inst instruction having an amount higher than the maximum amount defined in the Scheme is rejected by the interbank parties involved in the process chain unless otherwise agreed between individual Participants or communities of Participants while respecting the maximum amount stipulation in the SEPA End-Date Regulation.

A lower value limit may be applied by the Originator Bank to its products and services offered to its customers that are founded on the Scheme according to its own risk management analysis and controls and based on the channels used to issue a SCT Inst by its customers.

## 2.6 Reachability

Participants commit to be at least reachable as a Beneficiary Bank by receiving payments under the Scheme and to processing them according to the rules of the Scheme.

## 2.7 Remittance Data

The credit transfer dataset provides for a remittance data field, which may be used as follows:

- to carry structured remittance data of up to a max of 140 characters

OR

- to carry unstructured remittance data of up to 140 characters

This remittance field therefore enables automated reconciliation between receivables and payments by the Beneficiary. It is recommended that beneficiaries adopt the ISO Standard (reference [13]) for a 'structured creditor reference to the remittance information' (identified in the Rulebook as 'structured creditor reference') as the preferred remittance data convention for identifying payment referring to a single invoice.

The remittance data supplied by the Originator in the SCT Inst instruction must be forwarded in full and without alteration by the Originator Bank and any intermediary institution and CSM to the Beneficiary Bank. When the Originator provides a Structured Creditor Reference with an SCT Inst Instruction, it is recommended that the Originator Bank checks the correctness of the Structured Creditor Reference at the point of capture by the Originator.

The Beneficiary Bank must also deliver received remittance data in full and without alteration to the Beneficiary.

Any instant notification message that the Beneficiary Bank may deliver to the Beneficiary does not fall under this obligation on remittance data.



Communities of banks serving customers within SEPA are able to implant data conventions for structured remittance data and /or longer remittance data references.





### **3. ROLES OF THE SCHEME ACTORS**

This chapter describes the roles of the actors in the Scheme.

#### **3.1 Actors**

The execution of an SCT Inst involves four main actors:

- **The Originator:** is the customer who initiates the SCT Inst by providing the Originator Bank with an instruction. The funds for such an SCT Inst are made available by means of a debit from a specified payment account of which the Originator is account holder.
- **The Originator Bank:** is the Participant that receives the SCT Inst Instruction from the Originator and acts on the payment instruction by processing instantly the payment to the Beneficiary Bank in favour of the Beneficiary's account according to the information provided in the instruction and in accordance with the provisions of the Scheme. The Originator Bank is also obliged to inform or to send immediately a negative confirmation message to the Originator in case the funds have not been made available to the Beneficiary.
- **The Beneficiary Bank:** is the Participant that receives the SCT Inst Transaction from the Originator Bank and makes the funds immediately available to the Beneficiary, according to the information provided in the transaction and in accordance with the provisions of the Scheme. The Beneficiary Bank is also obliged to send a confirmation message (positive or negative) through the same clearing mechanism to the Originator Bank to confirm whether the SCT Inst transaction has been accepted and funds have been made immediately available to the Beneficiary (positive confirmation) or not (negative confirmation).
- The Originator Bank and Beneficiary Bank may be one and the same Participant.
- **The Beneficiary:** is the customer identified in the SCT Inst Instruction to whom the funds are sent.

Originator Banks and Beneficiary Banks are responsible for meeting their obligations under the Rulebook. This responsibility is irrespective of either the means or the parties by which Originator Banks or Beneficiary Banks choose to discharge those obligations and for which they remain responsible under the Scheme.

The operation of the Scheme also involves other parties indirectly:

- **CSMs:** Such mechanisms could include the services of a Clearing and Settlement provider such as an automated clearing house or other mechanisms such as intra-bank and intra-group arrangements and bilateral or multilateral agreements between Participants. The term CSM does not necessarily connote one entity, for example, it is possible that the Clearing function and the Settlement function are conducted by separate actors.
- **Intermediary Banks:** Banks offering intermediary services to Originator and/or Beneficiary Banks, for example in cases where they are not themselves direct participants in a CSM.



### 3.2 The Four Corner Model

The following diagram gives an overview of the contractual relationships and interaction between the main actors.

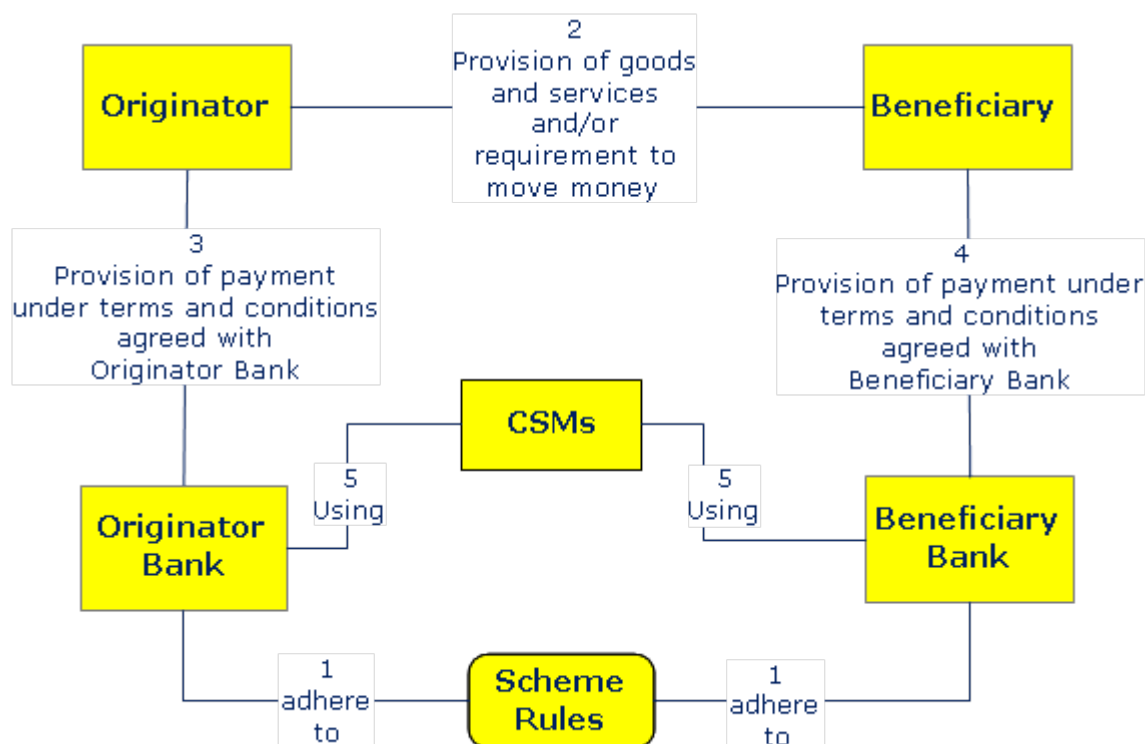


Figure 2: 4-Corner Model - Illustrative

The actors are bound together by a number of relationships, identified on the diagram by numbers:

1. The contractual relationships underlying the Scheme to which all Participants are bound.
2. Between the Originator and the Beneficiary regarding the provision of goods and services and/or the requirement to make a payment. This may or may not be reflected in a formal legal contract. This relationship does not form part of the operation of the Scheme.
3. Between the Originator and the Originator Bank concerning the payment and cash management products and services to be provided and their related terms and conditions. Provisions for this relationship are not governed by the Scheme, but will, as a minimum, cover elements relevant to the initiation and execution of an SCT Inst as required by the Scheme.
4. Between the Beneficiary and the Beneficiary Bank concerning the products and services to be provided and the related terms and conditions. Provisions for this relationship are not governed by the Scheme, but will, as a minimum, cover elements relevant to the receipt of an SCT Inst as required by the Scheme.
5. As applicable, between the Originator Bank and the Beneficiary Bank and the selected CSM or CSMs concerning the terms and conditions of the services delivered. Provisions for these relationships are not governed by the Scheme, but will, as a minimum, cover elements relevant to the execution of an SCT Inst.



6. As applicable, between the Originator Bank and/ or the Beneficiary Bank and any other bank acting in an intermediary capacity. Provisions for these relationships and their functioning are not governed by the Scheme. This relationship is not illustrated above.

### **3.3 Clearing and Settlement Mechanisms (CSMs)**

CSMs are responsible to the Originator Banks and Beneficiary Banks that use their services. As a matter of normal practice, these mechanisms:

- Receive transactions for Clearing from the Originator Bank who participates in the relevant CSM
- Clear and forward them to the Beneficiary Bank who participates in the relevant CSM, ensuring that all data intended by the Originator and the Originator Bank to reach the Beneficiary Bank and the Beneficiary is forwarded in full and without alteration
- Handle exceptions such as Rejects and Recalls
- Make arrangements such that settlement certainty shall be achieved as required by the Originator Bank and Beneficiary Bank
- Provide any required risk management procedures and other related services

This description about the role and responsibilities of CSMs is only for information purposes.

### **3.4 Intermediary Banks**

If any actor uses the services of an Intermediary Bank to perform any function in relation to a credit transfer, this should:

- Be transparent to the Scheme and in no way affect or modify the obligations of the Participants
- Be the subject of a separate bilateral agreement between the intermediary and its customer (i.e. the Originator Banks or Beneficiary Banks)

### **3.5 Governing laws**

The governing laws of the agreements in the four-corner model are as follows:

- The Rulebook is governed by Belgian law.
- The Adherence Agreement is governed by Belgian law.

### **3.6 Relationship with customers**

In accordance with Chapter 5 Participants must ensure that the Terms and Conditions are effective so as to enable Participants to comply with their obligations under the Scheme.



## 4. BUSINESS AND OPERATIONAL RULES

This chapter describes the business and operational rules of the Scheme which must be observed by Participants and by other actors as necessary such that the Scheme can function properly. It also describes the datasets used in the Scheme, and the specific data attributes within these datasets. Datasets and attributes will be represented and transmitted using generally accepted, open, interoperable standards wherever accepted by the EPC (see Section 0.5).

### 4.1 Naming Conventions

This section describes the naming conventions used in this chapter.

The descriptions are based on the concepts of Process, Process-step, Attribute and Dataset.

For facilitating the reading and the use of this Rulebook, structured identification-numbers are used as follows:

- Process-steps:** CT-xx-yy, where xx-yy is the unique sequence number in this Rulebook
- Datasets:** DS-xx, where xx represents the unique sequence number in this Rulebook
- Attributes:** AT-xx, where xx represents the unique sequence number in this Rulebook

### 4.2 Overview of the SCT Inst Process & Time Cycle

This section describes the terms used to define the execution time cycle.

Section 4.3 below provides a more detailed explanation of the process.

#### 4.2.1 Commencement of the SCT Inst Execution Time Cycle

The execution time for an SCT Inst shall commence when the Originator Bank has determined that the SCT Inst Instruction meets all mandatory attributes for interbank processing and the processing conditions of the Originator Bank. This means that the Originator Bank has received the SCT Inst Instruction and has applied checks regarding Originator authentication and authorisation, and availability of funds. A time stamp will be used to mark this point in time (see section 4.2.3 A).

The "Requested Execution Date and Time" corresponds to a date and a time requested by an Originator for commencing the execution of the SCT Inst Instruction. The Originator may choose to request a Requested Execution Date and Time in the future and submit the SCT Inst Instruction to the Originator Bank in accordance with its Terms and Conditions with the Originator Bank.

The execution of the SCT Inst may be stopped due to regulatory requirements.

#### 4.2.2 Cut-off Times

The services based on the Scheme are available 24 hours a day and on all calendar days of the year. As a consequence, there is no cut-off time for an SCT Inst transaction.



### 4.2.3 Maximum Execution Time

#### A. Time stamp

To allow an accurate control of the maximum execution time by all parties involved in the SCT Inst Transaction, the Originator Bank has to add a timestamp in the SCT Inst Transaction (refer to attribute AT-50).

#### B. Target maximum execution time

Latest at **10 seconds** after the Originator Bank has **put the timestamp in accordance with section 4.2.1** to the SCT Inst Instruction from the Originator, the Originator Bank must have **received** either the message that the funds have been made available to the Beneficiary by the Beneficiary Bank (positive confirmation message), or the message that the SCT Inst transaction has been rejected (negative confirmation message).

If agreed with the Beneficiary, the Beneficiary Bank sends the Beneficiary an instant notification message about the funds made available to the Beneficiary. The notification message itself and the execution time for such message are not within the scope of the Scheme.

If agreed with the Originator, the Originator Bank sends the Originator an instant notification message about the funds made available to the Beneficiary. The notification message itself and the execution time for such message are not within the scope of the Scheme.

In case the Originator Bank receives a negative confirmation message, it has to inform **immediately** the Originator about the rejected SCT Inst Instruction.

The Figure 3 below shows the process flow of an SCT Inst transaction within the target maximum execution time:

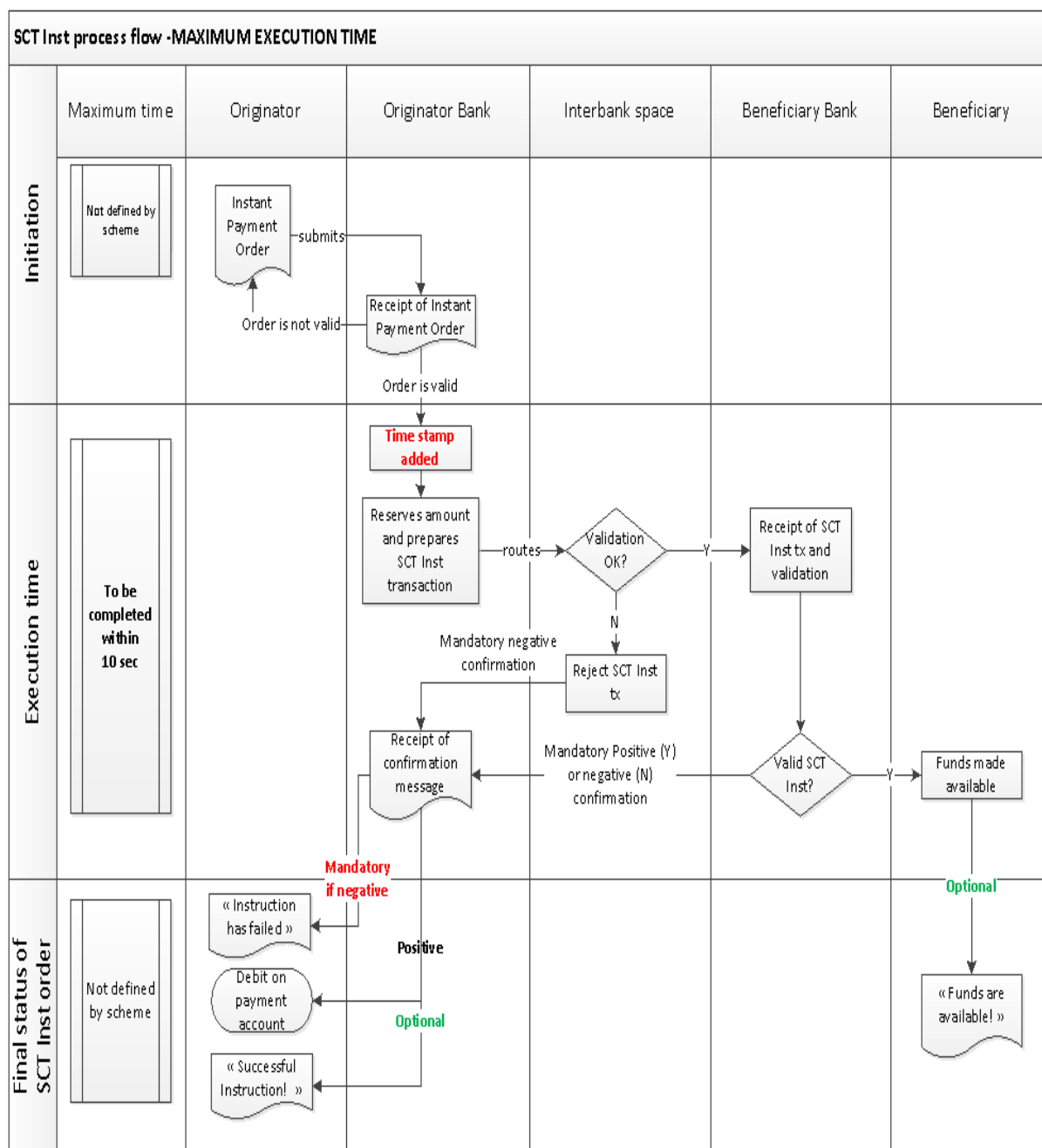


Figure 3 Work-Flow Maximum Execution Time

### C. Time-out deadline

The Scheme nevertheless foresees a **time-out deadline** to cover exceptional processing situations. Within 20 seconds after the Originator Bank has received the SCT Inst Instruction from the Originator, either a positive or a negative confirmation message about the SCT Inst transaction has to be **sent out back** to the Originator Bank.

Any party involved in the chain other than the Originator Bank shall reject the transaction after 20 seconds due to time-out and send a negative confirmation message back to the Originator Bank.



The positive or negative confirmation message then has to **reach** the Originator Bank within 5 seconds after this message has been sent out to the Originator Bank.

The Figure 4 below shows the process flow of an SCT Inst transaction within the time-out deadline:

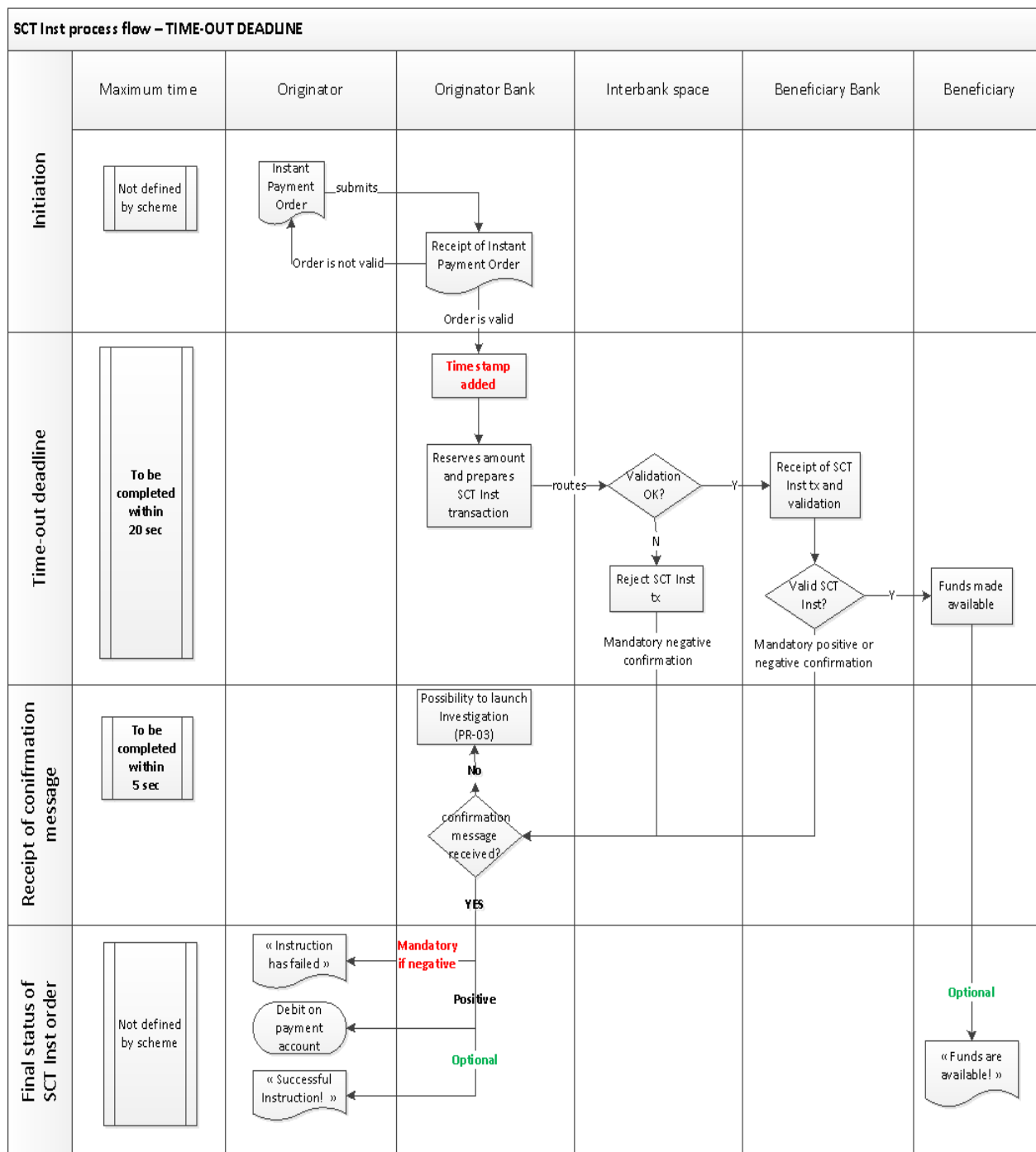


Figure 4 Work Flow Time-Out Deadline

#### D. No confirmation message after time-out deadline

The Originator Bank may be confronted with the exceptional situation that it still has not received a confirmation message after the time-out deadline described in point C of section 4.2.3.



The Originator Bank makes the assumption that the SCT Inst transaction has been successfully processed. The Originator Bank can confirm the transaction to the Originator or can inform the Originator that the formal confirmation message about the SCT Inst transaction has not yet been received.

The Originator Bank has to maintain the Reservation of the Amount of the SCT Inst Instruction on the specified account of the Originator and has to provide settlement certainty for this SCT Inst transaction to the Beneficiary Bank.

The Originator Bank cannot consider that the processing of the SCT Inst transaction has failed until it has received a confirmation message reporting the failure of the SCT Inst transaction. The Scheme provides the Originator Bank with an option to start an investigation procedure (see section 4.4) in case the Originator Bank wishes to inquire about the actual status of the initial SCT Inst transaction. The Scheme obliges the Beneficiary Bank to respond to this investigation procedure (via the dataset DS-03).

In case the Originator Bank receives a negative confirmation message before the settlement of the SCT Inst transaction, the Originator Bank rejects the SCT Inst transaction and revokes the Reservation of the Amount on the account of the Originator. It is obliged to report immediately the SCT Inst transaction failure to the Originator with a reason.

In case the Originator Bank receives a negative confirmation message after settlement of the SCT Inst transaction, it is obliged to report immediately the SCT Inst transaction failure to the Originator with a reason and revokes the Reservation of the Amount on the account of the Originator. The Originator Bank is entitled to claim back the funds of the failed SCT Inst transaction from the Beneficiary Bank. The Beneficiary Bank has to provide settlement certainty to the Originator Bank for such failed SCT Inst Transaction. This process is not described by the Scheme.

#### **4.2.4 Charging Principles**

Charges to Customers will be based on the shared principle such that the Originator and Beneficiary are charged separately and individually by the Originator Bank and Beneficiary Bank respectively. The basis and level of charges to Customers are entirely a matter for individual Participants and their Customers.





### 4.3 SCT Inst Processing Flows

#### 4.3.1 SCT Inst Processing Flow (PR-01)

The following diagram identifies a number of process steps, which are described below.

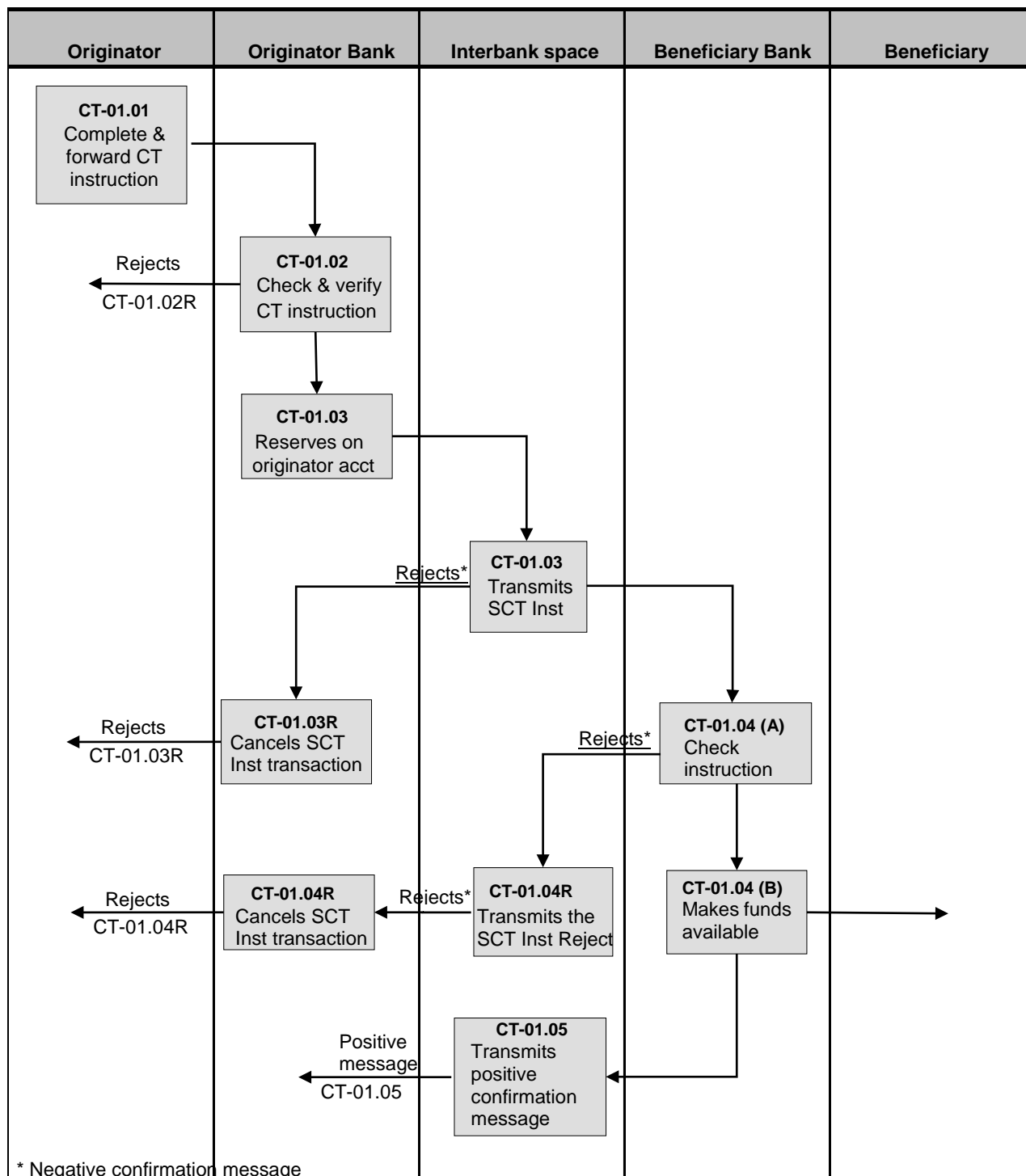


Figure 5: SCT Inst Process (PR-01)



**CT-01.01** The Originator completes and forwards the SCT Inst Instruction. The instruction will be submitted by any means agreed between the Originator and the Originator Bank. The data elements to be provided are defined in dataset DS-01 below.

**CT-01.02** The Originator Bank receives and checks if it has sufficient information to execute an instant payment transaction and that the instruction fulfils the conditions required by its procedures as to execution of the instruction including the authenticity of the instruction, and the checking of the format and plausibility of the BIC and IBAN.

Rejected instructions are covered by procedures described below.

**CT-01.03** Immediately the Originator Bank will make a Reservation of the Amount on the account of the Originator. This will be followed by the immediate sending of the SCT Inst transaction message to ensure receipt by the Beneficiary Bank via the selected CSM in accordance with the rules of the Scheme within the maximum execution time. The data elements to be provided are defined in dataset DS-02 below.

**CT-01.04** (A) The Beneficiary Bank executes various validation checks.

(B) In case the validation checks are successful, the Beneficiary Bank must immediately make the funds available to the Beneficiary. The Beneficiary Bank will make the information of DS-04 available to the Beneficiary on the basis agreed between the Beneficiary and his Beneficiary Bank. This action means that the Beneficiary has immediate use of the funds subject to the terms and conditions governing the use of the account of the Beneficiary.

**CT-01.05** The Beneficiary Bank sends a positive confirmation message back to the Originator Bank following the same path as the original transaction confirming that the SCT Inst amount has been made available to the Beneficiary. The data elements to be provided are defined in dataset DS-03 below.

#### 4.3.2 Exception Processing Flow

SCT Inst transactions are handled according to the time frame described in section 4.2.3. If, for whatever reason, any party cannot handle the transaction in the normal way, the SCT Inst Transaction cannot be processed under the Scheme and will be immediately rejected and the process of exception handling starts. The messages resulting from these situations are all handled in a standardised way, at process level as well as at dataset level.

##### 4.3.2.1 *Reject processing flow*

A '**Reject**' occurs when an SCT Inst Instruction or Transaction is not accepted for normal execution under the Scheme. If the rejection is at the point at which the Originator instructs the Originator Bank, for the purposes of the Scheme, the Originator Bank need only inform the Originator of the reason.

If it occurs in the interbank space the Reject must be instant and sent as specified in DS-03 below.

The main characteristics of a reject (DS-03) are:

- the amount will be the Original Amount of the SCT Inst instruction



- the 'Reject' message is routed through the same path taken by the original SCT Inst transaction with no alteration of the data contained in the original credit transfer
- a record of the relevant data relating to the initial SCT Inst transaction, sufficient to provide an audit trail, is included
- the initial SCT Inst transaction is identified by the original reference of the Originator Bank
- 'Reject' messages contain a reason code (attribute AT-R3, see below)

'Reject' messages should be transmitted within the maximum execution time defined in section 4.2.3.

The step by step process flow for Rejects is as follows:

**CT-01.02R** The Originator Bank must inform immediately the Originator and make the appropriate details available to the Originator

**CT-01.03R** The CSM must send the Reject message to the Originator Bank within the maximum execution time defined in section 4.2.3.

The Originator Bank must inform the Originator immediately that the instruction has been rejected, cancels the SCT Inst transaction on the Originator's account and makes the appropriate details available to the Originator based on the information received in the dataset DS-03 below.

**CT-01.04R** The Beneficiary Bank must send the Reject message to the Originator Bank within the maximum execution time defined in section 4.2.3.

The Originator Bank must inform the Originator immediately that the instruction has been rejected, cancels the SCT Inst transaction on the Originator's account and makes the appropriate details available to the Originator based on the information received in the dataset DS-03 below.

#### **4.3.2.2 Recall processing flow (PR-02)**

A **Recall** occurs when the Originator Bank requests to cancel an SCT Inst. The Recall procedure must be initiated by the Originator Bank within 10 Banking Business Days after execution date of the SCT Inst subject to the Recall. The Recall procedure can be initiated only by the Originator Bank, which may do it on behalf of its customer. Before initiating the Recall procedure, the Originator Bank has to check if the SCT Inst is subject to one of the following reasons only:

- Duplicate sending
- Technical problems resulting in erroneous SCT(s)
- Fraudulent originated Credit Transfer

The main characteristics of a Recall (DS-05 and DS-06) are:

- the amount sent back can differ from the Original amount of the SCT Inst transaction. The Beneficiary Bank may decide to charge a fee to the Originator Bank.
- the Recall message is routed through the same intermediaries used for the original SCT Inst transaction, with no alteration of the data contained in the original SCT Inst transaction.



- a record of the relevant data relating to the initial SCT Inst transaction, sufficient to provide an audit trail, is included
- Recall messages contain a reason code (attribute AT-48, see below)

The step by step process flow for a Recall (PR02) is given below and stipulates that the Beneficiary Bank has to provide the Originator Bank with an answer within 10 Banking Business Days following the SCT Inst Recall request from the Originator Bank.

It is the decision of the Beneficiary Bank if it wants to charge a recall fee to the Originator Bank. For this purpose, a field is dedicated in the response message. This practice is purely limited and restricted for recalls only.



The following diagram identifies a number of process steps, which are described below.

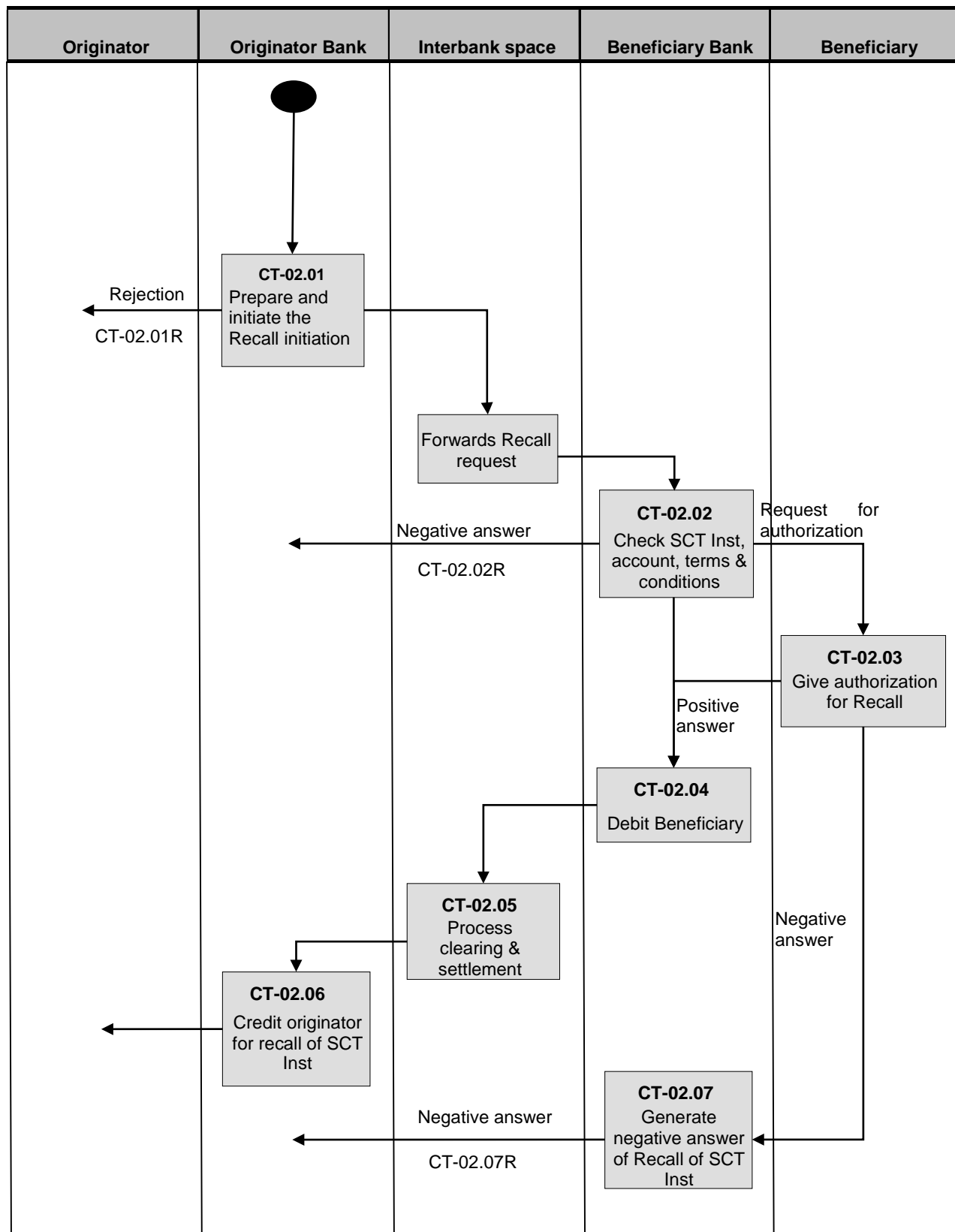


Figure 6: SCT Inst Recall Process (PR-02)



**CT-02.01** The Originator Bank realises the need to recall an SCT Inst. It may also receive a request from the Originator. Before initiating the Recall procedure, the Originator Bank must check if the SCT Inst subject to the Recall:

- had an execution date towards the CSM of less than or equal to 10 Banking Business Days before the recall
- has really been wrongly executed for one of the reasons listed below:
  - Duplicate sending
  - Technical problems resulting in an erroneous SCT Inst
  - Fraudulent originated SCT Inst

The path used for initiating the Recall should be identical to the one used for the SCT Inst subject to the Recall.

**CT-02.01R** The Originator Bank can reject the request of the Originator to make a Recall when it judges that the SCT Inst is not the subject of one of the foregoing reasons.

**CT-02.02** The Beneficiary Bank must always handle the Recall upon receipt of such request and provide either a positive or negative answer within 10 Banking Business Days. If there are sufficient funds on the account and the funds are not yet returned, the Beneficiary Bank may, depending on the legislation in its country and/or contractual agreement with the Beneficiary:

- Generate an immediate positive answer by debiting the account
- Decide whether it is necessary to ask the Beneficiary for debit authorisation
- Be obliged to get the Beneficiary's authorization to debit its account

For handling of the Recall the Beneficiary Bank has 10 Banking Business Days to provide the Originator Bank with an answer.

**CT-02.02R** The Beneficiary Bank will generate a negative answer to the Originator Bank and give reason for it if:

- there are insufficient funds on the account
- the account is closed
- there is a legal reason: to be explained in a clear text
- Beneficiary's refusal
- no response from beneficiary
- Original SCT Inst never received
- already returned transaction

**CT-02.03** If needed the Beneficiary is asked for his authorization for a Recall



- CT-02-04** The Beneficiary Bank generates a positive answer to the Recall by debiting the account of the Beneficiary (if needed, the Beneficiary Bank waits until it has received the authorisation from the Beneficiary for debiting his account).
- CT-02.05** The CSM receives the positive answer to the Recall from the Beneficiary Bank and settles this with the Originator Bank.
- CT-02.06** The Originator Bank credits the account of the Originator with the amount of the positive answer to the Recall.
- CT-02.07** The Beneficiary Bank receives a negative answer or no answer from the Beneficiary to process the Recall and generates therefore a negative answer message.
- CT-02.07R** The Beneficiary Bank received no debit authorisation or no answer at all from the Beneficiary and generates therefore a negative answer message in which it gives the reason for refusal.

#### 4.4 Optional SCT Inst Transaction status investigation procedure (PR-03)

The Scheme foresees an **optional** investigation procedure for the Originator Bank for exceptional situations whereby no confirmation message has reached the Originator Bank after the time-out deadline defined in section 4.2.3. The Scheme obliges the Beneficiary Bank to respond to this investigation procedure.

The following diagram identifies a number of process steps, which are described below.

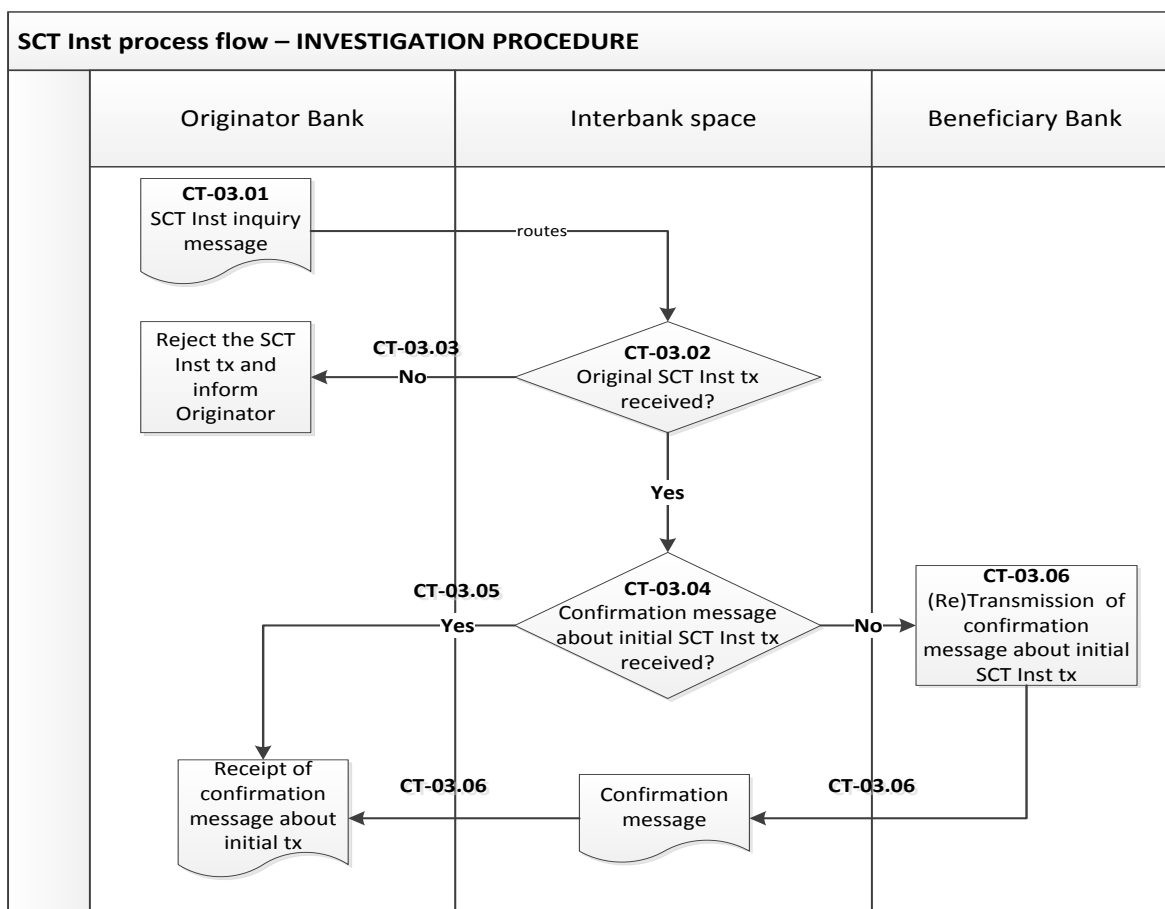


Figure 7 SCT Inst Transaction Status Investigation Procedure (PR-03)



- CT-03.01** The Originator Bank sends an SCT Inst status inquiry message to the Beneficiary Bank through the same path used for the transmission of the initial SCT Inst transaction message to inquire about the actual status of the initial SCT Inst transaction.
- CT-03.02** Each party in the interbank space verifies if it actually received the initial SCT Inst transaction from the Originator Bank.
- CT-03.03** In case the initial SCT Inst transaction had not been received by a party in the interbank space, this party reports the non-delivery of this initial transaction back to the Originator Bank who then rejects the transaction and informs the Originator.
- CT-03.04** In case the initial SCT Inst transaction had been received: based on the SCT Inst status inquiry message, each party in the interbank space which was involved in the transmission of the initial SCT Inst transaction message up to the Beneficiary Bank verifies whether it has received a confirmation message from the Beneficiary Bank (or from another party in the interbank space) about the initial SCT Inst transaction.
- CT-03.05** If a party in the interbank space had received a confirmation message on the initial SCT Inst transaction, this party is obliged to retransmit immediately this confirmation message (the dataset DS-03) to the Originator Bank.
- CT-03.06** if the SCT Inst status inquiry message has to be addressed to the Beneficiary Bank, the Beneficiary Bank (re)transmits its confirmation message about the initial SCT Inst transaction (the dataset DS-03) back to the Originator Bank following the same path that would have been used for the transmission of that initial confirmation message.

The Scheme does not define a maximum time limit by which the optional investigation procedure should be completed nor defines the number of repetitions the Originator Bank has to re-issue this investigation procedure in case no response has been received from the interbank space or from the Beneficiary Bank on the first SCT Inst status inquiry message.

In such investigation cases, any action of cancelling or confirming the payment to the Originator can be taken by the Originator Bank only when the status of the payment has been confirmed by the Beneficiary Bank or by a party in the interbank space.





#### 4.5 Business Requirements for Datasets

The datasets are the following:

- DS-01** Customer to Bank Credit Transfer Information
- DS-02** Interbank Payment Dataset
- DS-03** Confirmation Message to Originator Bank
- DS-04** Bank to customer Credit Transfer Information
- DS-05** Recall of an SCT Inst Dataset
- DS-06** Answer to Recall of an SCT Inst Dataset
- DS-07** Dataset for the SCT Inst Transaction status investigation message sent by the Originator Bank



#### 4.5.1 DS-01 Customer to bank Credit Transfer Information

<b>Identification</b>	<b>DS-01</b>
<b>Name</b>	<b>Customer to bank Credit Transfer Information</b>
<b>Description</b>	The following list of attributes represents the full range of data which may be provided by the Originator and transported under the Scheme rules via Dataset DS-02
<b>Attributes contained</b>	<ul style="list-style-type: none"> <li>• 01 The IBAN of the account of the Originator</li> <li>• 02 The name of the Originator</li> <li>• 03 The address of the Originator</li> <li>• 04 The amount of the SCT Inst in euro</li> <li>• 05 The Remittance Information sent by the Originator to the Beneficiary in the SCT Inst Instruction</li> <li>• 07 The Requested Execution Date and Time of the SCT Inst Instruction</li> <li>• 08 The name of the Originator Reference Party</li> <li>• 09 The identification code of the Originator Reference Party</li> <li>• 10 The Originator identification code</li> <li>• 20 The IBAN of the account of the Beneficiary.</li> <li>• 21 The name of the Beneficiary</li> <li>• 22 The address of the Beneficiary</li> <li>• 23 The BIC code of the Beneficiary Bank (only mandatory when Beneficiary Bank is located in a non-EEA SEPA country or territory)</li> <li>• 24 The Beneficiary identification code</li> <li>• 28 The name of the Beneficiary Reference Party</li> <li>• 29 The identification code of the Beneficiary Reference Party</li> <li>• 40 The identification code of the SCT Inst Scheme</li> <li>• 41 The Originator's reference of the SCT Inst Instruction</li> <li>• 44 The purpose of the SCT Inst Instruction</li> <li>• 45 The category purpose of the SCT Inst Instruction</li> </ul>
<b>Technical characteristics</b>	None.
<b>Rules applied</b>	<p>The Originator Bank is obliged to accept customer-to-bank Credit Transfer Instructions which are based on the credit transfer ISO 20022 XML initiation message standards in the SCT Inst Scheme Customer-to-Bank Implementation Guidelines as defined in Chapter 0.5.</p> <p>Where any of the above attributes (except for AT-45, see rules applied in DS-02) are provided by the Originator within a payment instruction, they must be transported by the Originator Bank to the Beneficiary Bank in accordance with DS-02 subject to any overriding legal/regulatory requirements</p> <p>Information relating to an Originator Reference Party and/or Beneficiary Reference Party is included only for the purpose of assisting the Originator and/or Beneficiary in managing their payments and is not required by the Originator Bank and/or Beneficiary Bank for the purpose of the execution of the payment to which the information relates</p>



<b>Identification</b>	<b>DS-01</b>
<b>Name</b>	<b>Customer to bank Credit Transfer Information</b>
<b>Remarks</b>	These attributes reflect business requirements and do not prescribe fields in the SCT Inst Scheme Customer-to-Bank Implementation Guidelines as defined in Chapter 0.5



#### 4.5.2 DS-02 Interbank Payment Dataset

<b>Identification</b>	<b>DS-02</b>
<b>Name</b>	<b>The interbank payment dataset</b>
<b>Description</b>	This dataset describes the content of the interbank payment message (mandatory unless otherwise indicated).
<b>Attributes contained</b>	<ul style="list-style-type: none"> <li>• 01 The IBAN of the account of the Originator</li> <li>• 02 The name of the Originator</li> <li>• 03 The address of the Originator (Optional)</li> <li>• 04 The amount of the SCT Inst in euro</li> <li>• 05 The Remittance Information (Optional)</li> <li>• 06 The BIC code of the Originator Bank</li> <li>• 08 The name of the Originator Reference Party (Optional)</li> <li>• 09 The identification code of the Originator Reference Party (Optional)</li> <li>• 10 The Originator identification code (Optional)</li> <li>• 20 The IBAN of the account of the Beneficiary</li> <li>• 21 The name of the Beneficiary</li> <li>• 22 The address of the Beneficiary (Optional)</li> <li>• 23 The BIC code of the Beneficiary Bank</li> <li>• 24 The Beneficiary identification code (Optional)</li> <li>• 28 The name of the Beneficiary Reference Party (Optional)</li> <li>• 29 The identification code of the Beneficiary Reference Party (Optional)</li> <li>• 40 The identification code of the SCT Inst Scheme</li> <li>• 41 The Originator's reference of the SCT Inst Transaction</li> <li>• 42 The Settlement Date of the SCT Inst Transaction</li> <li>• 43 The Originator Bank's reference number of the SCT Inst Transaction message</li> <li>• 44 The purpose of the SCT Inst Instruction (Optional)</li> <li>• 45 The category purpose of the SCT Inst Instruction (Optional)</li> <li>• 50 Timestamp of the receipt of the SCT Inst Instruction</li> </ul>
<b>Technical characteristics</b>	From a business perspective, interbank SCT Inst's are always considered to be single payments, each containing one Originator account and one Beneficiary account.
<b>Rules applied</b>	<p>Where an Originator has provided information in a specific payment instruction relating to an optional DS-02 field (with the exception of AT-45), this field will be populated in the interbank payment message, subject to any overriding legal/regulatory requirements.</p> <p>Regarding AT-45, when the agreement between Originator and Originator Bank only involves a specific processing at Originator Bank level, said Originator Bank is not obliged to send AT-45 to the Beneficiary Bank as part of DS-02.</p>



<b>Identification</b>	<b>DS-02</b>
<b>Name</b>	<b>The interbank payment dataset</b>
<b>Remarks</b>	These attributes reflect business requirements and do not prescribe fields in the SCT Inst Scheme Interbank Implementation Guidelines as defined in Chapter 0.5

#### 4.5.3 DS-03 Confirmation Message to Originator Bank

<b>Identification</b>	<b>DS-03</b>
<b>Name</b>	<b>Confirmation Message to Originator Bank</b>
<b>Description</b>	This dataset describes the content of a positive or a negative confirmation message on a SCT Inst Transaction message to be sent to the Originator Bank
<b>Attributes contained</b>	<p><b>Negative confirmation message (RJCT code)</b></p> <ul style="list-style-type: none"> <li>• 41 The Originator's reference of the SCT Inst Instruction</li> <li>• 43 The Originator Bank's reference number of the SCT Inst Transaction message</li> <li>• R1 The type of "R" message</li> <li>• R2 The Identification of the type of party initiating the "R" message</li> <li>• R3 The reason code for non-acceptance of the SCT Inst</li> <li>• R5 The specific reference of the party initiating the Reject</li> </ul> <p><b>Positive confirmation message (ACCP code)</b></p> <ul style="list-style-type: none"> <li>• 41 The Originator's reference of the SCT Inst Instruction</li> <li>• 43 The Originator Bank's reference number of the SCT Inst Transaction message</li> <li>• 51 The Beneficiary Bank's reference of the SCT Inst Transaction (status ID)</li> </ul>

#### 4.5.4 DS-04 – Bank to customer credit transfer information

<b>Identification</b>	<b>DS-04</b>
<b>Name</b>	<b>The bank to customer SCT Inst information dataset</b>
<b>Description</b>	Description of the minimum information that a Beneficiary Bank needs to make available to the Beneficiary
<b>Attributes contained</b>	<ul style="list-style-type: none"> <li>• 02 The name of the Originator</li> <li>• 04 The amount of the SCT Inst in euro</li> <li>• 05 The Remittance Information</li> <li>• 08 The name of the Originator Reference Party (optional)</li> <li>• 09 The identification code of the Originator Reference Party (optional)</li> <li>• 10 The Originator identification code</li> </ul>



<b>Identification</b>	<b>DS-04</b>
<b>Name</b>	<b>The bank to customer SCT Inst information dataset</b>
	<ul style="list-style-type: none"> <li>• 20 The IBAN of the account of the Beneficiary</li> <li>• 21 The name of the Beneficiary</li> <li>• 24 The Beneficiary identification code</li> <li>• 28 The name of the Beneficiary Reference Party (optional)</li> <li>• 29 The identification code of the Beneficiary Reference Party (optional)</li> <li>• 41 The Originator's reference of the SCT Inst Instruction</li> <li>• 42 The Settlement Date of the SCT Inst Transaction (optional)</li> <li>• 44 The purpose of the SCT Inst Instruction (optional)</li> </ul>
<b>Rules applied</b>	<p>Where any of the above attributes, optional or not, are present in an interbank payment message (DS-02) the contents must be made available in full by the Beneficiary Bank to the Beneficiary, subject to any prior agreement to the contrary.</p> <p>Where the Beneficiary and Beneficiary Bank have an explicit agreement regarding the deduction of charges then the amount of the charges will be made clear to the Beneficiary</p> <p>A Beneficiary Bank may drop received extended Reference Party information (attributes 08, 09, 28, 29 and 44) and not make it available to a Beneficiary who uses an interface which does not comply with the ISO 20022 XML standard.</p>
<b>Remarks</b>	<p>These attributes reflect business requirements</p> <p>This message should not be confused with the positive notification message that a Beneficiary Bank may send to the Beneficiary.</p>

#### 4.5.5 DS-05 Recall of an SCT Inst Dataset

<b>Identification</b>	<b>DS-05</b>
<b>Name</b>	<b>The recall of an SCT Inst dataset</b>
<b>Description</b>	This dataset contains the messages for description of the minimum information that an Originator Bank needs to make available to the Beneficiary Bank
<b>Attributes contained</b>	<p><u>Request for recall of an SCT Inst:</u></p> <ul style="list-style-type: none"> <li>• An exact copy of the original Interbank payment dataset (DS-02) which is being recalled.</li> <li>• 04 The amount of the SCT Inst in euro</li> <li>• 48 The Recall reason code</li> <li>• R2 Identification of the type of party initiating the "R" message</li> <li>• R6 The specific reference of the bank initiating the Recall</li> <li>• 49 Additional Information to AT-48 The Recall reason code</li> </ul>



<b>Identification</b>	<b>DS-05</b>
<b>Name</b>	<b>The recall of an SCT Inst dataset</b>
<b>Remarks</b>	Except for AT-49, these attributes reflect business requirements and do not prescribe fields in the SCT Inst Scheme Interbank Implementation Guidelines as defined in Chapter 0.5.

#### 4.5.6 DS-06 Answer to a Recall of an SCT Inst Dataset

<b>Identification</b>	<b>DS-06</b>
<b>Name</b>	<b>Answer to a recall of an SCT Inst dataset</b>
<b>Description</b>	This dataset contains the messages for the description for sending the answer to a recall of an SCT Inst dataset
<b>Attributes contained</b>	<p><u>Positive response for a recall of an SCT Inst</u></p> <ul style="list-style-type: none"> <li>• An exact copy of the original interbank payment dataset (DS-02) which is being recalled.</li> <li>• 47 The fee for the positive answer to a Recall in euro</li> <li>• 46 The returned amount of the positive answer to the Recall in euro</li> <li>• R1 The type of "R" message</li> <li>• R2 The Identification of the type of party initiating the "R" message</li> <li>• R6 The specific reference of the bank initiating the Recall</li> <li>• R7 The Settlement Date for the positive answer to the Recall</li> </ul> <p><u>Negative response for a recall of an SCT Inst</u></p> <ul style="list-style-type: none"> <li>• An exact copy of the original Interbank payment dataset (DS-02) which is being recalled.</li> <li>• R5 Reason code for non-acceptance of the Recall</li> </ul>
<b>Remarks</b>	These attributes reflect business requirements and do not prescribe fields in the SCT Inst Scheme Interbank Implementation Guidelines as defined in Chapter 0.5

#### 4.5.7 DS-07 Dataset for the SCT Inst Transaction status investigation message sent by the Originator Bank

<b>Identification</b>	<b>DS-07</b>
<b>Name</b>	<b>Dataset for the SCT Inst Transaction status investigation message sent by the Originator Bank</b>
<b>Description</b>	This dataset describes the content of the SCT Inst Transaction status investigation message that the Originator Bank may send in case no confirmation message has reached the Originator Bank 5 seconds after the time-out deadline
<b>Attributes contained</b>	<ul style="list-style-type: none"> <li>• 41 The Originator's reference of the SCT Inst Instruction</li> <li>• 43 The Originator Bank's reference number of the SCT Inst Transaction message</li> </ul>



<b>Identification</b>	<b>DS-07</b>
<b>Name</b>	<b>Dataset for the SCT Inst Transaction status investigation message sent by the Originator Bank</b>
	<ul style="list-style-type: none"><li>• 50 Timestamp of the receipt of the SCT Inst Instruction</li></ul>

#### 4.6 Business Requirements for Attributes

This section defines the business requirements for the attributes used by the Scheme. The attributes used in the SCT Inst datasets are described below. Attribute numbering is as follows:

- 01 – 19 for attributes pertaining to the Originator
- 20 – 39 for attributes pertaining to the Beneficiary
- 40 onwards for other attributes of a compliant SCT Inst
- R01 onwards for attributes of Rejects/Recalls

This numbering is only for cross referencing purposes within the Rulebook.

AT-01	The IBAN of the account of the Originator
AT-02	The name of the Originator
AT-03	The address of the Originator
AT-04	The amount of the SCT Inst in euro
AT-05	The Remittance Information sent by the Originator to the Beneficiary in the SCT Inst Instruction
AT-06	The BIC code of the Originator Bank
AT-07	The Requested Execution Date and Time of the SCT Inst Instruction
AT-08	The name of the Originator Reference Party
AT-09	The identification code of the Originator Reference Party
AT-10	The Originator identification code
AT-20	The IBAN of the account of the Beneficiary
AT-21	The name of the Beneficiary
AT-22	The address of the Beneficiary
AT-23	The BIC code of the Beneficiary Bank
AT-24	The Beneficiary identification code
AT-28	The name of the Beneficiary Reference Party
AT-29	The identification code of the Beneficiary Reference Party
AT-40	The identification code of the SCT Inst Scheme
AT-41	The Originator's reference of the SCT Inst Instruction
AT-42	The Settlement Date of the SCT Inst Transaction
AT-43	The Originator Bank's reference of the SCT Inst Transaction message
AT-44	The purpose of the SCT Inst Instruction





- AT-45 The category purpose of the SCT Inst Instruction
- AT-46 The returned amount of the positive answer to the Recall in euro
- AT-47 The fee for the positive answer to the Recall in euro
- AT-48 The Recall reason code
- AT-49 Additional Information to AT-48 The Recall reason code
- AT-50 Timestamp of the receipt of the SCT Inst Instruction
- AT-51 The Beneficiary Bank's reference of the SCT Inst Transaction (status ID)
- AT-R1 The type of "R" message
- AT-R2 The identification of the type of party initiating the "R" message
- AT-R3 The reason code for non-acceptance of the SCT Inst
- AT-R4 The specific reference of the party initiating the Reject
- AT-R5 The Reason code for non-acceptance of the Recall
- AT-R6 The specific reference of the bank initiating the Recall
- AT-R7 The Settlement Date for the positive Answer to the Recall



#### 4.6.1 Attribute Details

<b>Identification:</b>	<b>AT-01</b>
<b>Name:</b>	<b>The IBAN of the account of the Originator</b>
<b>Description:</b>	The account number (only the IBAN) of the Originator to be debited for the SCT Inst Instruction

<b>Identification:</b>	<b>AT-02</b>
<b>Name:</b>	<b>The name of the Originator</b>
<b>Description:</b>	The information should reflect the name of the account holder being debited

<b>Identification:</b>	<b>AT-03</b>
<b>Name:</b>	<b>The address of the Originator</b>
<b>Description:</b>	The information should reflect the address of the account holder being debited

<b>Identification:</b>	<b>AT-04</b>
<b>Name:</b>	<b>The amount of the SCT Inst in euro</b>
<b>Description:</b>	<p>The amount contains two parts, the first is expressed in euro, and the second is expressed in euro cents</p> <p>The first part must be larger than or equal to zero euro. The second part must be larger than or equal to zero euro cent, and smaller than or equal to 99 euro cents. The combined value must be lower or equal to the maximum defined in reference [16].</p> <p>The combined value of 0,00 euro (zero euro and zero euro cent) is not allowed</p>



<b>Identification:</b>	<b>AT-05</b>
<b>Name:</b>	<b>The Remittance Information sent by the Originator to the Beneficiary in the SCT Inst Instruction</b>
<b>Description:</b>	<p>A maximum of 140 characters for unstructured Remittance Information</p> <p>The European Association of Corporate Treasurers (EACT) has developed a standard for formatting the contents of the unstructured remittance information.</p> <p>The standard specifies the elements enabling the automated payments processing between business partners.</p> <p>Further information on this standard can be found on the following website: <a href="http://www.europeanpaymentscouncil.eu/content.cfm?page=eact_standard_for_unstructured_remittance_information">http://www.europeanpaymentscouncil.eu/content.cfm?page=eact_standard_for_unstructured_remittance_information</a> (reference [15])</p> <p>The 140 characters unstructured Remittance Information should be used for storing the data elements described in the standard.</p> <p>OR</p> <p>structured Remittance Information of a maximum of 140 characters according to detailed rules to be defined</p> <p>EPC recommends beneficiaries to adopt the ISO standard (reference [13]) for a 'Structured creditor reference to the remittance information' identified in the rulebook as 'structured creditor reference') as the preferred remittance data convention for identifying payment referring to a single invoice, to be part of the structured remittance information.</p> <p>When the Originator provides a Structured Creditor Reference with a Credit Transfer Instruction, it is recommended that the Originator Bank checks the correctness of the Structured Creditor Reference at the point of capture by the Originator.</p>

<b>Identification:</b>	<b>AT-06</b>
<b>Name:</b>	<b>The BIC code of the Originator Bank</b>
<b>Description:</b>	See Chapter 7

<b>Identification:</b>	<b>AT-07</b>
<b>Name:</b>	<b>The Requested Execution Date and Time of the SCT Inst Instruction</b>
<b>Description:</b>	This date corresponds with a date and time requested by an Originator for commencing the execution of the Credit Transfer Instruction as described in section 4.2.1.



<b>Identification:</b>	<b>AT-08</b>
<b>Name:</b>	<b>The name of the Originator Reference Party</b>
<b>Description:</b>	<p>The name of a person in relation to whom an Originator makes a payment</p> <p>The Originator Reference Party is a person on behalf of or in connection with whom the Originator purports to make a payment</p> <p>Reference in any payment instruction to an Originator Reference Party does not imply that such party is an Originator or otherwise a payer, or is contractually obliged or entitled in connection with any payment obligation</p>

<b>Identification:</b>	<b>AT-09</b>
<b>Name:</b>	<b>The identification code of the Originator Reference Party</b>
<b>Description:</b>	<p>A code supplied by the Originator and to be delivered unaltered to the Beneficiary</p>

<b>Identification:</b>	<b>AT-10</b>
<b>Name:</b>	<b>The Originator identification code</b>
<b>Description:</b>	<p>A code supplied by the Originator and to be delivered unaltered to the Beneficiary</p>

<b>Identification:</b>	<b>AT-20</b>
<b>Name:</b>	<b>The IBAN of the account of the Beneficiary</b>
<b>Description:</b>	<p>The International Bank Account Number used to uniquely identify the account of a customer at a financial institution</p> <p>The ISO standard 13616 applies</p>

<b>Identification:</b>	<b>AT-21</b>
<b>Name:</b>	<b>The name of the Beneficiary</b>
<b>Description:</b>	<p>The name of the Beneficiary as supplied by the Originator</p>

<b>Identification:</b>	<b>AT-22</b>
<b>Name:</b>	<b>The address of the Beneficiary</b>
<b>Description:</b>	<p>The address of the Beneficiary as supplied by the Originator</p>



<b>Identification:</b>	<b>AT-23</b>
<b>Name:</b>	<b>The BIC code of the Beneficiary Bank</b>
<b>Description:</b>	See Chapter 7 For the dataset DS-01, the provision of the BIC code of the Beneficiary Bank is only mandatory when the Beneficiary Bank is located in a non-EEA SEPA country or territory

<b>Identification:</b>	<b>AT-24</b>
<b>Name:</b>	<b>The Beneficiary identification code</b>
<b>Description:</b>	A code supplied by the Originator

<b>Identification:</b>	<b>AT-28</b>
<b>Name:</b>	<b>The name of the Beneficiary Reference Party</b>
<b>Description:</b>	The name of a person in relation to whom a Beneficiary receives a payment The Beneficiary Reference Party is a person on behalf of or in connection with whom the Beneficiary receives a payment. Reference in any payment instruction to a Beneficiary Reference Party does not imply that such party is a Beneficiary or otherwise a payee, or is contractually obliged or entitled in connection with any payment obligation

<b>Identification:</b>	<b>AT-29</b>
<b>Name:</b>	<b>The identification code of the Beneficiary Reference Party</b>
<b>Description:</b>	A code supplied by the Originator and to be delivered unaltered to the Beneficiary

<b>Identification:</b>	<b>AT-40</b>
<b>Name:</b>	<b>The identification code of the SCT Inst Scheme</b>
<b>Description:</b>	To differentiate SCT Inst Transactions from those of any other scheme sharing common logical and physical models



<b>Identification:</b>	<b>AT-41</b>
<b>Name:</b>	<b>The Originator's reference of the SCT Inst Instruction</b>
<b>Description:</b>	This reference identifies for a given Originator each SCT Inst Instruction presented to the Originator Bank, in a unique way. This number will be transmitted in the entire process of the handling of the SCT Inst Transaction from acceptance until the finality of the transaction. It must be returned in any exception handling process-step by any party involved. The Originator cannot request for any other referencing information to be returned to him, in order to identify an SCT Inst. The Originator must define the internal structure of this reference; it can only be expected to be meaningful to the Originator.
<b>Value range:</b>	If no reference is provided by the Originator, this attribute has default value "Not provided"

<b>Identification:</b>	<b>AT-42</b>
<b>Name:</b>	<b>The Settlement Date of the SCT Inst Transaction</b>
<b>Description:</b>	The date on which obligations with respect to Funds transfer between Originator Bank and Beneficiary Bank are discharged. In the message from Originator Bank, it contains the requested Settlement Date, whereas in the message delivered to the Beneficiary Bank, it contains the Settlement Date applied

<b>Identification:</b>	<b>AT-43</b>
<b>Name:</b>	<b>The Originator Bank's reference of the SCT Inst Transaction message</b>
<b>Description:</b>	The reference of the SCT Inst Transaction given by the Originator Bank, which is to be delivered unaltered to the Beneficiary Bank

<b>Identification:</b>	<b>AT-44</b>
<b>Name:</b>	<b>The purpose of the SCT Inst Instruction</b>
<b>Description:</b>	The purpose of the SCT Inst Instruction is the underlying reason for the SCT Inst Instruction, i.e. information on the nature of such transaction.
<b>Value range:</b>	All codes part of the ISO standard are accepted



<b>Identification:</b>	<b>AT-45</b>
<b>Name:</b>	<b>The category purpose of the SCT Inst Instruction</b>
<b>Description:</b>	The category purpose of the SCT Inst Instruction is information on the high level nature of the SCT Inst Instruction. It can have different goals: allow the Originator Bank to offer a specific processing agreed with the Originator, or allow the Beneficiary Bank to apply a specific processing
<b>Value range:</b>	All codes part of the ISO standard are accepted

<b>Identification:</b>	<b>AT-46</b>
<b>Name:</b>	<b>The returned amount of the positive answer to the Recall in euro</b>
<b>Description:</b>	<p>This amount may be the same as AT-04 if there is no AT-47. If a fee for the positive answer to the Recall is present in AT-47, this amount will be equal to the difference between AT-04 and AT-47.</p> <p>The amount contains two parts; the first is expressed in euro, and the second is expressed in euro cents.</p> <p>The first part must be larger than or equal to zero euro. The second part must be larger than or equal to zero euro cents, and smaller than or equal to 99 euro cents. The combined value must be lower or equal to the maximum defined in reference [16].</p> <p>The combined value of 0,00 euro (zero euro and zero euro cent) is not allowed</p>

<b>Identification:</b>	<b>AT-47</b>
<b>Name:</b>	<b>The fee for the positive answer to the Recall in euro</b>
<b>Description:</b>	<p>The amount contains two parts, the first is expressed in euro, and the second is expressed in euro cents</p> <p>The first part must be larger than or equal to zero euro. The second part must be larger than or equal to zero euro cent, and smaller than or equal to 99 euro cents.</p> <p>The combined value of 0,00 euro (zero euro and zero euro cent) is not allowed.</p>

<b>Identification:</b>	<b>AT-48</b>
<b>Name:</b>	<b>The Recall reason code</b>
<b>Description:</b>	This code explains the reason for the Recall for a Collection. It is defined by the Originator Bank who initiates the Recall. It can be used by the Beneficiary Bank to inform the Beneficiary about the reason for debit of the account of the Beneficiary.
<b>Value range:</b>	Codes are:



	<ul style="list-style-type: none"><li>• Duplicate sending</li><li>• Technical problems resulting in an erroneous SCT Inst</li><li>• Fraudulent originated SCT Inst</li></ul>
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<b>Identification:</b>	<b>AT-49</b>
<b>Name:</b>	<b>Additional Information to AT-48 The Recall reason code</b>
<b>Description:</b>	When the reason for a Recall is “fraudulent originated SCT Inst”, the Originator Bank may use this attribute for including additional information on AT-48. The text shall be in a comprehensible language to the Beneficiary Bank.  Beneficiary Banks are not obliged to act upon this information received.

<b>Identification:</b>	<b>AT-50</b>
<b>Name:</b>	Timestamp of the receipt of the SCT Inst Instruction
<b>Description:</b>	This timestamp defines the start of maximum execution time defined in section 4.2.3.  The time format is DD/MM/YYYY - HH:MM:SS.SSS + time zone.

<b>Identification:</b>	<b>AT-51</b>
<b>Name:</b>	<b>The Beneficiary Bank’s reference of the SCT Inst Transaction</b>
<b>Description:</b>	The reference of the SCT Inst Transaction given by the Beneficiary Bank, which is to be delivered unaltered to the Originator Bank

<b>Identification:</b>	<b>AT-R1</b>
<b>Name:</b>	<b>The type of “R” message</b>
<b>Description:</b>	This code allows to identify the type of “R” message in the handling of the SCT Inst Transaction
<b>Value range:</b>	<ul style="list-style-type: none"><li>• Reject</li><li>• Recall</li></ul>





<b>Identification:</b>	<b>AT-R2</b>
<b>Name:</b>	<b>The Identification of the type of party initiating the “R” message</b>
<b>Description:</b>	This attribute contains a code identifying the type of party initiating the Reject message or the Recall message.
<b>Value range:</b>	<ul style="list-style-type: none"><li>• <b>Values applying for Reject messages:</b><ul style="list-style-type: none"><li>○ CSM</li><li>○ Beneficiary Bank</li></ul></li><li>• <b>Values applying for Recall messages:</b><ul style="list-style-type: none"><li>○ Originator</li><li>○ Originator Bank</li></ul></li></ul>



<b>Identification:</b>	<b>AT-R3</b>
<b>Name:</b>	<b>The reason code for non-acceptance of the SCT Inst</b>
<b>Description:</b>	This code identifies the reason for the non-acceptance of the SCT Inst
<b>Value range:</b>	<p>The reasons for a Reject by the Originator Bank are as follows:</p> <ul style="list-style-type: none"><li>• Account identifier incorrect (i.e. invalid IBAN)</li><li>• Bank identifier incorrect (i.e. invalid BIC)</li><li>• Duplicate payment</li><li>• Amount exceeds the maximum authorised amount for SCT Inst</li><li>• Operation/transaction code incorrect, invalid format</li><li>• Regulatory reason</li><li>• Reason not specified</li></ul> <p>The reasons for a Reject by the CSM are as follows:</p> <ul style="list-style-type: none"><li>• Account identifier incorrect (i.e. invalid IBAN)</li><li>• Bank identifier incorrect (i.e. invalid BIC)</li><li>• Duplicate payment</li><li>• Time-out – maximum execution time has been exceeded</li><li>• Amount exceeds the maximum authorised amount for SCT Inst</li><li>• Operation/transaction code incorrect, invalid format</li><li>• Regulatory reason</li><li>• Reason not specified</li><li>• Beneficiary Bank not registered under this BIC in the CSM</li><li>• Originator Bank not registered under this BIC in the CSM</li><li>• Settlement limit exceeded</li></ul> <p>The reasons for a Reject by the Beneficiary Bank are as follows:</p> <ul style="list-style-type: none"><li>• Time-out – maximum execution time has been exceeded</li><li>• Amount exceeds the maximum authorised amount for SCT Inst</li><li>• Account address invalid</li><li>• Account blocked, reason not specified</li><li>• Account closed</li><li>• Account identifier invalid (i.e. invalid IBAN or account number does not exist)</li><li>• Bank identifier incorrect (i.e. invalid BIC)</li><li>• Beneficiary deceased</li><li>• By order of the Beneficiary</li><li>• Credit transfer forbidden on this type of account</li><li>• Duplicate payment</li><li>• Operation/transaction code incorrect, invalid format</li><li>• Regulatory reason</li><li>• Reason not specified</li></ul>



<b>Identification:</b>	<b>AT-R4</b>
<b>Name:</b>	<b>The specific reference of the party initiating the Reject</b>
<b>Description:</b>	This reference, determined by the party that initiates the Reject of the SCT Inst Transaction, must be forwarded in the handling of the Reject message to the Originator Bank and optionally to the Originator. It must be specified in any request by the Originator or the Originator Bank to the initiating party to obtain more information about the reasons for the Reject

<b>Identification:</b>	<b>AT-R5</b>
<b>Name:</b>	<b>The Reason code for non-acceptance of the Recall</b>
<b>Description:</b>	The codes defines the reason for non-acceptance of the Recall
<b>Value range</b>	Codes are: <ul style="list-style-type: none"><li>• Beneficiary's Refusal</li><li>• Legal reasons</li><li>• Account closed</li><li>• Insufficient funds on the account</li><li>• No response from Beneficiary</li><li>• Original Credit Transfer never received</li><li>• Already returned transaction</li></ul>

<b>Identification:</b>	<b>AT-R6</b>
<b>Name:</b>	<b>The specific reference of the bank initiating the Recall</b>
<b>Description:</b>	This reference is determined by the bank that initiates the Recall of the SCT Inst Transaction, must be forwarded in the handling of the Recall message to the Beneficiary Bank and optionally to the Beneficiary. It must be specified in any request by the Beneficiary or the Beneficiary Bank to the initiating party to obtain more information about the reasons for the Recall

<b>Identification:</b>	<b>AT-R7</b>
<b>Name:</b>	<b>The Settlement Date for the positive answer to the Recall</b>
<b>Description:</b>	The date on which the returned amount is settled by the CSM



## **5. RIGHTS AND OBLIGATIONS OF PARTICIPANTS**

### **5.1 The Scheme**

Participation in the SCT Inst Scheme is on the basis of compliance with the following guiding principles:

- Scheme Participants from all countries in SEPA participate on the basis that the level playing field principle is respected.
- All adhering Scheme Participants shall comply with the SCT Inst Scheme Rulebook on the same basis as all other Participants.
- Participants need to ensure that Regulation (EC) 1781/2006 of 15 November 2006 on Information on the Payer accompanying Transfers of Funds and the provisions of Title III and Title IV of the Payment Services Directive from November 2009 affecting credit transfers enabled by the SCT Inst Scheme are effectively represented in law or substantially equivalent binding practice.

### **5.2 Compliance with the Rulebook**

A Participant shall comply with:

- the Rulebook, including amendments as and when they are made and properly communicated to Participants
- SCT Inst Scheme Inter-Bank Implementation Guidelines
- SCT Inst Scheme Customer-to-Bank Implementation Guidelines
- the Internal Rules, as set out in Annex II to this Rulebook
- any validly made order or notice issued as part of the SEPA Scheme Management processes under the Rulebook and the Internal Rules.

The parties to the Rulebook are the EPC and each Participant.

The Rulebook is a multilateral agreement comprising contracts between:

- the EPC and each Participant; and
- each Participant and every other Participant.

A person who is not a party to the Rulebook shall have no rights or obligations under the Rulebook.

A Participant shall procure that its employees, its agents and the employees of its agents comply with all applicable obligations under the Rulebook.

### **5.3 Reachability**

Each Participant shall offer services relating to the Scheme in the capacity of at least Beneficiary Bank by receiving payments under the Scheme and to processing them according to the rules of the Scheme.

There are several ways for Participants to send and receive SCT Inst transactions to and from other Participants across SEPA.

A Participant can use the services of a CSM to assist in the provision of its services to Beneficiaries and Originators.



A Participant can use the services of an Intermediary Bank to perform any functions in relation to an obligation arising under the Rulebook. The Participant shall ensure that its arrangements with such Intermediary Bank are consistent with, and do not detract from, the requirements of the Rulebook and the other documents listed at section 5.2.

Participants can choose any solution or a combination of solutions, as long as reachability and compliance with the Scheme is effectively ensured. A Participant uses the services of a CSM or Intermediary Bank at its own risk.

#### 5.4 Eligibility for participation

In order to be eligible as a Participant, a Participant must at all times:

- be active in the business of providing banking and/or payment services to customers, including the provision of accounts used for the execution of payments, holding the funds needed for the execution of payments or making the funds received following the execution of payments available to customers
- be either incorporated and licensed in a SEPA country or territory, or licensed by an appropriate EEA regulatory body
- be able to pay its debts as they fall due, and not be insolvent as defined in accordance with any insolvency law applicable to the Participant
- maintain a sufficient level of liquidity and capital in accordance with regulatory requirements to which it is subject
- be able to meet rating or other criteria set under the terms of the Scheme from time to time for the purpose of establishing the Participant's ability to meet its financial obligations
- comply fully with applicable regulations in respect of money laundering, sanctions restrictions and terrorist financing
- participate, or be eligible to participate, directly or indirectly in one or more CSMs for the purpose of providing access to the Scheme throughout SEPA
- develop and effect operational and risk control measures appropriate to the business undertaken by the Participant.
- be able to process an SCT Inst as defined in the Rulebook, 24 hours a day on all calendar days of the year. This includes all business continuity arrangements set up by the Participant itself or on behalf of the Participant to guarantee the processing of an SCT Inst.

Applicants which fall within one of the following categories shall be deemed automatically to be eligible under this section 5.4:

- a credit institution which is authorised in accordance with Article 8 (1) of Directive 2013/36/EU by a state which is a member of the European Economic Area;
- an undertaking which is listed in Article 2 of Directive 2006/48/EC; or
- a bank which is authorised in accordance with Article 3 of the Federal Law on Banks and Savings Banks of 8 November 1934 by the Swiss Financial Market Supervisory Authority (FINMA).
- A bank which is authorised by the Central Bank of San Marino in accordance with Article 7, Part I, Title II, of the Sammarinese Law No. 165 (approved on November 17th 2005) and with Regulation No. 2007 of 2007.



Any references in the Rulebook to a "bank" or "banks" shall be construed as including any undertaking or institution which is eligible under any of the categories listed above in this section 5.4.

An applicant which has been authorised as a payment institution under Article 10 of the Payment Services Directive, or any other payment service provider listed in Article 1.1 of the Payment Services Directive, shall be deemed automatically to have met the following eligibility criteria:

- be active in the business of providing banking and/or payment services to customers, including the provision of accounts used for the execution of payments, holding the funds needed for the execution of payments or making the funds received following the execution of payments available to customers
- be either incorporated and licensed in a SEPA country or territory or licensed by an appropriate EEA regulatory body
- maintain a sufficient level of liquidity and capital in accordance with regulatory requirements to which it is subject
- comply fully with applicable regulations in respect of money laundering, sanctions restrictions and terrorist financing
- develop and effect operational and risk control measures appropriate to the business undertaken by the Participant.

Furthermore, an applicant which is the treasury of a sovereign state shall not be required to establish:

- that it is able to pay its debts as they fall due or that it is not insolvent; or
- that it meets rating or other criteria set under the terms of the Scheme for the purpose of establishing its ability to meet its financial obligations,
- unless there are exceptional circumstances or the applicant is not the treasury of an EEA member state or Switzerland.

However, the Compliance and Adherence Committee (CAC) may request such an applicant to demonstrate (in its legal opinion or otherwise) that it is the treasury of the state itself, and not the treasury of an organ or entity under the control of the state

A Participant shall notify the Secretariat immediately of any matter that is material to the Participant's eligibility as a Participant under this section 5.4. The Secretariat shall take reasonable steps to bring such notifications to the attention of all other Participants and the Scheme Management Board ("SMB").



## 5.5 Becoming a Participant

Any undertaking which is eligible under section 5.4 above may apply to become a Participant.

Applications shall be submitted to the EPC in accordance with its application procedures as set out in the Internal Rules.

To apply to become a Participant, an undertaking shall submit to the EPC and executed and original Adherence Agreement and submit Supporting Documentation to the EPC. A Participant may appoint an agent to complete an Adherence Agreement on its behalf. If the latter procedure is adopted the Participant undertakes all rights and obligations under the Rulebook and the documents specified in section 5.2 above as if it had completed the Adherence Agreement itself.

The EPC may require additional information from the applicant in support of its application.

An applicant becomes a Participant on an admission date specified by the EPC in accordance with the Internal Rules. Names of applicants which will become Participants at a future date may be pre-published, and a date designated and published when they will become Participants.

In consideration of the mutual obligations constituted by the Rulebook, an applicant agrees to be bound by, becomes subject to and shall enjoy the benefits of, the Rulebook upon becoming a Participant.

If the application to become a Participant is rejected, the applicant shall receive notice of such in writing and be provided with a statement of the reasons for such rejection.

Upon receipt of such a written rejection, the applicant may appeal against the decision in accordance with the Internal Rules.

## 5.6 List of SCT Inst Scheme Participants

The List of SCT Inst Scheme Participants shall be maintained in good and up-to-date order and arrangements will be made for such list to be made available to Participants when issued or updated.

Such list shall contain:

- current contact details for each Participant for the purpose of enabling notices to be served on Participants in accordance with the Rulebook;
- the date on which each Participant attained Participant status;
- details of undertakings which have been removed from the list, including the date of their removal; and
- such other information as is considered appropriate in the interests of the effective management of the Scheme.

Any changes to operational, contacting or invoicing details will be provided by Participants in accordance with the Scheme management process as stipulated in the Scheme Management Internal Rules.

By submitting an application to become a Participant, an undertaking consents to publication of the details referred to in this section 5.6.



## 5.7 Obligations of an Originator Bank

In respect of each of its Originators, an Originator Bank shall:

- ensure that Terms and Conditions exist governing the provision and use of services relating to the Scheme;
- ensure that such Terms and Conditions are consistent with the Rulebook;
- ensure that such Terms and Conditions make adequate provision for the Originator Bank's succession (e.g. through merger or acquisition), in accordance with the Rulebook;
- not restrict its Originators from obtaining similar services relating to the Scheme from any other Originator Bank;
- enter into a contract directly or indirectly with a CSM on the basis of terms that would enable it to deliver on its settlement obligations as defined in the Rulebook towards the Beneficiary Bank and other processing obligations described in the Rulebook;
- provide to the Beneficiary Bank the required payment information (as described in DS-02, in Chapter 4) and the payment value in sufficient time and manner to allow the Beneficiary Bank to comply with its obligations under the Rulebook;
- provide settlement certainty to the Beneficiary Bank for each SCT Inst Transaction;
- identify the payment to the Beneficiary Bank as a payment made under the terms of the Scheme;
- treat any SCT Inst Instruction not fulfilling the requirements of the Rulebook outside the Scheme or decline to process such instruction;
- provide Originators and prospective Originators with adequate information to understand the Scheme proposition and its service level;
- provide to Originators the means of initiating SCT Inst Instructions and accepting the applicable data and format requirements;
- ensure the authenticity and validity of the Originator's instructions;
- validate each SCT Inst Instruction, accept (subject to account status and the terms of its agreement with the Originator) each valid SCT Inst Instruction, and reject each invalid SCT Inst Instruction. For these purposes, validation includes checking the plausibility of the IBAN of the Beneficiary;
- accept SCT Inst Instructions that comply with the standards set out in the SCT Inst Scheme Customer-to-Bank Implementation Guidelines;
- provide an explanation to the Originator of the reason for rejecting any payment instruction in a manner and within a timeframe as may be agreed with the Originator;
- following acceptance of a SCT Inst Instruction, make a Reservation of the Amount of the SCT Inst Instruction on the specified account of the Originator, route immediately the SCT Inst Transaction to the specified Beneficiary Bank;
- provide an explanation to the Originator and/or the Beneficiary Bank as to how a SCT Inst Instruction and/or SCT Inst Transaction has been processed and provide to the Originator all reasonably requested information in the event of a dispute;
- ensure that all SCT Inst Transactions and Instructions comply with the standards set out in the SCT Inst Scheme Inter-Bank Implementation Guidelines;





- effect exception processing in accordance with the Rulebook.

It is a precondition to the Originator Bank's obligations in respect of a SCT Inst Instruction, that the Beneficiary has provided to the Originator the IBAN and BIC of the Beneficiary's account to be credited. Furthermore, the Originator Bank has no obligations to transmit data relating to the remittance unless this has been provided by the Originator.

An Originator Bank shall oblige each of its Originators, in relation to any SCT Inst Instruction which the Originator Bank accepts, in accordance with the relevant requirements set out in the Rulebook, to:

- provide the Originator Bank with sufficient information for the Originator Bank to make the SCT Inst in compliance with the Rulebook;
- supply the required payment data accurately, consistently, and completely.

## 5.8 Obligations of a Beneficiary Bank

In respect of each of its Beneficiaries, a Beneficiary Bank shall:

- ensure that Terms and Conditions exist governing the provision and use of services relating to the Scheme;
- ensure that such Terms and Conditions are consistent with the Rulebook;
- ensure that such Terms and Conditions make adequate provision for the Beneficiary Bank's succession, in accordance with the Rulebook;
- provide Beneficiaries with adequate information on the respective rights and obligations of the Originator, Beneficiary, Originator Bank and Beneficiary Bank in relation to the Scheme, and information about the service level offered and any charges that apply to the service being performed;
- enter into a contract directly or indirectly with a CSM on the basis of terms that would enable it to deliver on its settlement obligations as defined in the Rulebook towards the Originator Bank and other processing obligations described in the Rulebook;
- apply the standards set out in the SCT Inst Scheme Inter-Bank Implementation Guidelines to the processing of its received payment transactions and to the provision of information to its Customers.
- effect exception processing in accordance with the Rulebook
- receive the SCT Inst Transaction from the Originator Bank and make the funds immediately available to the Beneficiary identified by the IBAN in the SCT Inst Transaction as the unique identifier, provided that applicable regulations in relation to money laundering and terrorist financing have been complied with;
- validate the syntax of the SCT Inst Transaction, accept it if it is in accordance with the requirements of the Rulebook, and carry out exception processing in accordance with the Rulebook if it is invalid together with a reason code;
- make the funds available to the Beneficiary with the full amount of the payment in accordance with the maximum execution time defined in section 4.2.3, or for a lesser amount subject to any agreement with the Beneficiary under which the Beneficiary Bank may deduct its own fees from the amount transferred before crediting the Beneficiary's account;
- sends a positive confirmation message or a negative confirmation message to the Originator Bank respecting maximum execution time defined in section 4.2.3 indicating either that the funds have been made available to the Beneficiary or the SCT Inst Transaction has been rejected.



- in the event of a dispute, provide to the Originator Bank an explanation as to how an SCT Inst Transaction has been processed and any further information reasonably requested;
- provide to the Beneficiary the IBAN and BIC relating to his account.

## 5.9 Limitation of Liability

### 5.9.1 Compensation for Breach of the Rulebook

A Participant who is party to an SCT Inst shall be liable to the other Participant who is also party to that SCT Inst for all foreseeable losses, costs, damages and expenses (including reasonable legal fees), taxes and liabilities for any claims, demands or actions (each referred to as a "Loss"), where the Loss arises out of or in connection with:

1. any breach of the Rulebook relating to the SCT Inst by the relevant Participant, its employees or agents;
2. any negligent act or omission of the relevant Participant, its employees or agents relating to the SCT Inst insofar as relevant to the operation of the Scheme;
3. any operational failure of the relevant Participant, its employees or agents relating to the SCT Inst insofar as relevant to the operation of the Scheme.

### 5.9.2 Limits on Liability

A Participant's liability under the Rulebook is limited as follows:

- The maximum amount which may be claimed in respect of a Loss is the amount of the SCT Inst.
- The cap on liability applies even if there has been gross negligence by the liable Participant, its employees or agents.
- The cap on liability does not apply in the event of wilful intent by the liable Participant, or by the Participant's employees or agents.
- The maximum amount which may be claimed in respect of a Loss is subject to proportionate reduction in the case of contributory negligence of the Participant making the claim, its employees or its agents.
- A Loss which results from action taken to limit or manage risk shall not be claimed.
- A Loss can be regarded as foreseeable only if it is regularly experienced by Participants active in making cross border payments to SEPA countries.

### 5.9.3 Force majeure

Further, a Participant shall not be liable for any failure, hindrance or delay in performance in whole or in part of its obligations under the Rulebook if such failure, hindrance or delay arises out of circumstances beyond its control. Such circumstances may include, but are not limited to, acts of God, criminal action, fire, flood and unavailability of energy supplies.



## 5.10 Liability of the EPC

The EPC, its agents, employees or the employees of its agents shall not be liable for anything done or omitted in the exercise of any discretion under the Rulebook unless it is shown that the act or omission was effected in bad faith.

The EPC, its agents, its employees and the employees of its agents shall not be liable for any losses which are not foreseeable.

## 5.11 Termination

A Participant may terminate its status as a Participant by giving no less than six months' prior written notice to the CAC, such notice to take effect on a designated day (for which purpose such a day will be designated at least one day for each month). As soon as reasonably practicable after receipt of such notice, it or a summary shall be published to all other Participants in an appropriate manner.

Notwithstanding the previous paragraph, upon receipt of the participant's notice of termination by the CAC, the Participant and the CAC may mutually agree for the termination to take effect on any day prior to the relevant designated day.

A former Participant shall continue to be subject to the Rulebook in respect of all activities which were conducted prior to termination of its status as a Participant and which were subject to the Rulebook, until the date on which all obligations to which it was subject under the Rulebook prior to termination have been satisfied.

Upon termination of its status as a Participant, an undertaking shall not incur any new obligations under the Rulebook. Further, upon such termination, the remaining Participants shall not incur any new obligations under the Rulebook in respect of such undertaking's prior status as a Participant. In particular, no new SCT Inst obligations may be incurred by the former Participant or in favour of the former Participant.

The effective date of termination of a Participant's status as a Participant is (where the Participant has given notice in accordance with the first paragraph of section 5.11) the effective date of such notice, or (in any other case) the date on which the Participant's name is deleted from the List of SCT Inst Scheme Participants, and as of that date the Participant's rights and obligations under the Rulebook shall cease to have effect except as stated in this section 5.11.

This section, sections 5.9, 5.10, 5.12 and Annex II of the Rulebook shall continue to be enforceable against a Participant, notwithstanding termination of such Participant's status as a Participant.

## 5.12 Intellectual Property

The Participants acknowledge that any copyright in the Rulebook belongs to the EPC. The Participants shall not assert contrary claims, or deal with the Rulebook in a manner that infringes or is likely to infringe the copyright held by the EPC in the Rulebook.



### **5.13 Contractual provisions**

The Rulebook contains legal obligations which are binding on the Participants and which are enforceable against a Participant by the EPC or another Participant. The whole Rulebook is intended to have legal effect. In the event of any inconsistency between the provisions of the Rulebook, the provisions of this Chapter 5 shall prevail. Subject to the prevalence of provisions in this Chapter 5, the provisions of Chapter 4 shall prevail over any other provision in the Rulebook.

In the event of an inconsistency between the provisions of the Rulebook and any other agreement or convention between the Participants and the EPC in relation to the subject matter of this Rulebook, the provisions of this Rulebook shall prevail.

The terms of each agreement governing the provision and use of services relating to the Scheme between respectively the Originator and Originator Bank and the Beneficiary and Beneficiary Bank shall continue for the benefit of the successors and permitted assignees of any relevant party.

Any reference in the Rulebook to statutes or statutory instruments shall be to such statutes or statutory instruments as amended or replaced from time to time.

Every document that is required to be provided under the Rulebook shall be provided in the English language.

Any reference in the Rulebook to a person or an undertaking (howsoever described) shall include its successors.

Headings in the Rulebook are used for ease of reference only.

The Rulebook is governed by, and shall be construed in accordance with, Belgian law.

The Rulebook is drawn up in the English language. If the Rulebook is translated into any other language, the English language text prevails.

### **5.14 Application of the EU legislation between Participants**

Each Participant that is not subject to the Payment Services Directive under its national law shall vis-à-vis other Participants and vis-à-vis its Customers and to the extent permitted by the national law applicable to such Participant, comply with and perform obligations that are substantially equivalent to those provisions in Title III and IV of the Payment Services Directive which are relevant for SCT Inst.

Further, each Participant (whether or not subject to the Payment Services Directive) shall refrain, to the extent reasonably possible, from exercising any rights accorded to it under its national law vis-à-vis other Participants and vis-à-vis its Customers that either conflict or that could potentially conflict with the provisions in Title III and IV of the Payment Services Directive.

The obligations of each Participant (whether or not subject to the Payment Services Directive) under the Rulebook shall apply notwithstanding that the Payment Services Directive is limited in its geographical scope (art.2 Payment Service Directive).

The above principles apply mutatis mutandis to each Participant with respect to the provisions of Article 5 and the Annex of the SEPA Regulation.



## **6. SEPA SCHEME MANAGEMENT**

The Scheme Management Entity is EPC AISBL acting in accordance with the EPC Charter.

SEPA Scheme Management comprises two functions. The first function involves managing the development and evolution of the Scheme and the second function involves the administration of the Scheme and the process of ensuring compliance with its rules. The detailed rules that describe the operation of these functions are set out in the Internal Rules of SEPA Scheme Management as Annex II of the Rulebook.

### **6.1 Development and Evolution**

The development and evolution function of SEPA Scheme Management establishes formal change management procedures for the Scheme. The change management procedures aim to ensure that the Scheme is kept relevant for its users and up-to-date, with structured processes for initiating and implementing changes to the Scheme, the Rulebook and related documentation. An important component of change management is the innovation of ideas for enhancing the quality of the existing Scheme as well for developing new schemes, based always on sound business cases.

The development of change proposals is to be carried out through clear, transparent and structured channels, which take into account the views of Scheme Participants, SEPA service suppliers, end-users as well as other concerned groups.

The development and evolution function shall be performed by the SMB, supported by the Scheme Evolution and Maintenance Working Group ("**SEM WG**") or by such other working and support group as the SMB may designate. The SMB and the SEM WG shall perform the development and evolution function in accordance with the procedures set out in the Internal Rules.

### **6.2 Administration and Compliance**

The administration and compliance function of SEPA Scheme Management establishes rules and procedures for administering the adherence process for the Scheme, for addressing cases of claimed non-compliance by Participants with the rules of the Scheme and for addressing situations where Participants are unable to resolve their grievances through local, national dispute resolution methods.

In addition, the Internal Rules provide for an appeals process on decisions taken by the CAC on adherence and complaints matters. The appeals function is delegated by the EPC Charter and the Internal Rules to the Appeals Committee.

The administration and compliance function aims to ensure that the Schemes are administered fairly and transparently at every stage in accordance with the Rulebook and general principles of applicable law.

The administration and compliance function shall be performed by the SMB and the CAC as set out in detail in the Internal Rules.

The roles, rights and powers of the SMB, the CAC and the Appeals Committee are set out in detail in the Internal Rules and in the EPC Charter.

The SMB, the CAC and the Appeals Committee are supported by a common EPC Secretariat in the exercise of their SEPA Scheme Management functions.



The parties to this Rulebook are the EPC and each Participant. The SMB, the CAC and the Appeals Committee are established by the EPC in accordance with the EPC Charter and the Internal Rules as organs of the EPC. In this Rulebook, references to the rights, obligations and entitlements of the SMB, the CAC and the Appeals Committee may be read as references to the rights, obligations and entitlements of the EPC.

The Internal Rules form part of this Rulebook and may only be amended in accordance with the procedures set out in sections 3 and 4 of the Internal Rules.

The Internal Rules shall be binding on Participants in accordance with section 1.5 and 5.2 of the Rulebook.



## 7. DEFINED TERMS IN THE RULEBOOK

Term	Definition
<b>Additional Optional Services</b>	Complementary features and services based on the Scheme, as described in Chapter 2.3 of the Rulebook.
<b>Adherence Agreement</b>	The agreement to be completed as part of the process by which an entity applies to become a Participant. The agreement is found as Annex I of the Rulebook.
<b>AOS</b>	<i>See Additional Optional Services</i>
<b>Appeals Committee</b>	EPC committee that performs the appeals function of SEPA Scheme Management as defined in the Internal Rules.
<b>Banking Business Day</b>	Banking Business Day means, in relation to a Participant, a day on which that Participant is open for business
<b>Beneficiary</b>	See section 3.1
<b>Beneficiary Bank</b>	Is the Beneficiary account servicing payment services provider. See section 3.1 for its role in the Scheme.
<b>Beneficiary Reference Party</b>	See section 4.6.1 AT-28
<b>BIC</b>	<i>See Business Identifier Code</i>
<b>Business Identifier Code (BIC)</b>	An 8 or 11 character ISO code assigned by SWIFT and used to identify a financial institution in financial transactions.
<b>Calendar Day</b>	A Calendar Day means any day of the year
<b>Category purpose of the credit transfer</b>	See section 4.6.1
<b>Clearing</b>	The process of transmitting, reconciling and, in some cases, confirming payment orders prior to Settlement, possibly including the netting of instructions and the establishment of final positions for Settlement.
<b>Compliance and Adherence Committee or "CAC"</b>	EPC committee that performs the compliance functions of SEPA Scheme Management.
<b>CSM</b>	A Clearing and Settlement Mechanism. For more info see section 3.1.
<b>Customer</b>	Non-bank Originator or Beneficiary



<b>Term</b>	<b>Definition</b>
<b>Customer Account</b>	The account held by a Customer in the books of a Participant
<b>Cut-off Time</b>	See section 4.2.2
<b>D</b>	See section 4.2.1
<b>EPC</b>	European Payments Council
<b>EPC Charter</b>	The Charter of the European Payments Council dated 18 June 2004, as amended from time to time.
<b>EU</b>	European Union
<b>Exception processing</b>	See section 4.3.2
<b>Funds</b>	In relation to a payment transaction shall mean cash, scriptural money and electronic money as defined in Directive 2000/46/EC
<b>IBAN</b>	International Bank Account Number (IBAN): uniquely identifies an individual account at a specific financial institution in a particular country (ISO 13616).
<b>Immediate(ly)</b>	Synonym for instantl(y)
<b>Intermediary Bank</b>	As described in clause 3.4, a bank which is neither that of the Originator nor that of the Beneficiary and which participates in the execution of an SCT Inst Transaction.
<b>Internal Rules</b>	The Scheme Management Internal Rules, as set out in Annex II of the Rulebook, and as amended from time to time.
<b>List of SCT Inst Scheme Participants</b>	The list of Participants published by the EPC under Chapter 5 and the Internal Rules.
<b>Loss</b>	Shall have the meaning given in section 5.9 of the Rulebook.
<b>Making funds available</b>	This action means that the Beneficiary has immediate use of the funds subject to the terms and conditions governing the use of the account of the Beneficiary
<b>Original Amount</b>	Original ordered amount for an SCT Inst Instruction as specified by the ordering Customer to the ordering bank.
<b>Originator</b>	See section 3.1





<b>Term</b>	<b>Definition</b>
<b>Originator Bank</b>	Is the Originator account servicing payment services provider. See section 3.1 for its role in the Scheme.
<b>Originator Reference Party</b>	See section 4.6.1 AT-08
<b>Participant</b>	An entity accepted to be a part of the Scheme in accordance with section 5.4 of the Rulebook.
<b>Payment Account</b>	An account held in the name of one or more payment service users which is used for the execution of payment transactions and having an IBAN as payment account identifier
<b>Payment Services Directive</b>	Directive 2007/64/EC on Payment Services in the Internal market published in the Official Journal of the European Union on 5 December 2007 ( <b>PSD</b> )
<b>Purpose of the credit transfer</b>	See section 4.6.1
<b>Reachability</b>	Reachability is the concept that all payment accounts in SEPA are accessible for the receiving of payments in the Scheme
<b>Recalls</b>	See section 4.3.2
<b>Rejects</b>	See section 4.3.2
<b>Remittance Information</b>	Information supplied by the Originator in the SCT Inst Instruction and transmitted to the Beneficiary in order to facilitate the payment reconciliation.
<b>Requested Execution Date and Time</b>	This date and time corresponds to a date and time requested by an Originator for commencing the execution of the SCT Inst Instruction in accordance with section 4.2.1 of the Rulebook.
<b>Reservation of the Amount</b>	The Originator Bank instantly, (i) either reserves the amount of the SCT Inst instruction on the Originator's payment account with this information being instantly accessible to the Originator, (ii) or immediately debits the amount of the SCT Inst instruction from the Originator's payment account; in both instances the Originator Bank thereafter sends a SCT Inst transaction message to the relevant clearing mechanism
<b>Rulebook</b>	The SCT Inst Rulebook, as amended from time to time.
<b>Scheme</b>	The SCT Inst Scheme, as described in the Rulebook.



<b>Term</b>	<b>Definition</b>
<b>Scheme Management Board, or “SMB”</b>	The EPC body that is responsible for performing the SEPA Scheme Management Functions as defined in the Internal Rules.
<b>SCT Inst</b>	SEPA Instant Credit Transfer
<b>SCT Inst Instruction</b>	A payment instruction given by an Originator to an Originator Bank requesting the execution of an instant credit transfer, comprising such information as is necessary for the execution of the instant credit transfer
<b>SCT Inst Scheme C2B Implementation Guidelines</b>	Set out the rules for implementing the SCT Inst ISO 20022 XML standards in the Customer to Bank space and constitute a binding supplement to the Rulebook, described with reference [12] in the Rulebook.
<b>SCT Inst Scheme Inter-Bank Implementation Guidelines</b>	Set out the rules for implementing the SCT Inst ISO 20022 XML standards in the interbank space and constitute a binding supplement to the Rulebook, described with reference [1] in the Rulebook.
<b>SCT Inst Transaction</b>	A payment instruction executed by the Originator Bank and which is immediately forwarded to a CSM for forwarding immediately the same payment instruction to the Beneficiary Bank in accordance with the rules of this Rulebook. This payment instruction triggers a settlement obligation versus the Beneficiary Bank unless the payment instruction was unsuccessful and the funds have not been made available to the Beneficiary
<b>SEPA</b>	<p>The Single Euro Payments Area (SEPA) is the area where citizens, companies and other economic actors can make and receive payments in euro, within Europe, whether within or across national boundaries under the same basic conditions, rights and obligations, regardless of their location. SEPA is driven by the European Commission and the European Central Bank, amongst others, as a key component of the EU Internal Market.</p> <p>SEPA shall be deemed to encompass the countries and territories which are part of the geographical scope of the SEPA Schemes, as listed in the EPC List of SEPA Scheme Countries (see Reference [14]), as amended from time to time.</p>
<b>SEPA Regulation</b>	Regulation (EU) 260/2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No 924/2009 (the ‘SEPA Regulation’)



<b>Term</b>	<b>Definition</b>
<b>SEPA Scheme</b>	A SEPA payment scheme is a common set of business rules, practices and standards for the provision and operation of a SEPA payment instrument agreed at interbank level in a competitive environment.
<b>SEPA Scheme Management</b>	SEPA Scheme Management denotes the administration, compliance and development functions in relation to a SEPA Scheme.
<b>Settlement</b>	An act that discharges obligations with respect to the transfer of Funds between Originator Bank and Beneficiary Bank.
<b>Settlement Date</b>	The date on which obligations with respect to funds transfer between Originator Bank and Beneficiary Bank are discharged.
<b>STP</b>	Straight-through Processing which is a prerequisite for cost efficient handling of credit transfers.
<b>Supporting Documentation</b>	A legal opinion in the form set out on the website of the EPC, duly executed by the undertaking's internal or external counsel in accordance with the Internal Rules.
<b>Terms and Conditions</b>	The general Terms and Conditions that a bank has with its Customers and which may contain dispositions about their rights and obligations related to SCT Inst. These dispositions may also be included in a specific agreement, at the Participant's choice.
<b>Time Cycle</b>	This describes the time constraints of a process in terms of seconds per key process step.
<b>Time Stamp</b>	Data in electronic form which binds other data in electronic form to a particular time establishing evidence that the latter data existed at that time
<b>Unresolved Issue</b>	Any dispute in relation to the Rulebook.



## **Annex I SEPA Instant Credit Transfer Adherence Agreement**



## SEPA Instant Credit Transfer Adherence Agreement

To: The European Payments Council (the “**EPC**”)

From: Name of Applicant[s]\*:

[As set out in the list annexed to this Adherence Agreement]\*

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([each]\* an “**Applicant**”)

\*Please include the text in square brackets if this Adherence Agreement covers more than one entity.

### **PREAMBLE**

- (A) The SEPA Instant Credit Transfer Scheme (the “**Scheme**”) is a pan-European Instant Credit Transfer Scheme that operates in all SEPA countries as listed in the SEPA Country List.
- (B) The EPC oversees the operation of the Scheme in accordance with the terms and conditions set out in the SEPA Instant Credit Transfer Scheme Rulebook (the “**Rulebook**”).
- (C) The Rulebook sets out the rights and obligations of all institutions bound by its terms (the “**Participants**”), and the EPC binds each Participant to comply with their obligations to the EPC and to all other Participants pursuant to the rules set out therein.
- (D) The EPC, acting on its behalf and on behalf of all Participants, will notify the Applicant of the date following the Readiness Date on which this Adherence Agreement becomes effective (the “**Effective Date**”) as between the Applicant, the EPC and other Participants.
- (E) As of the Effective Date the Applicant shall become a Participant and be bound to all the obligations, and entitled to all the benefits, set out in the Rulebook.

### **IT IS HEREBY AGREED AS FOLLOWS:-**

1. The Applicant hereby undertakes to all Participants and to the EPC to perform the obligations imposed by and to comply with the provisions of the Rulebook, as modified from time to time, with effect from the Effective Date.
2. The Applicant makes the following representations and warranties:
  - 2.1 The Applicant has the power and authority to enter into and has taken all corporate action to authorise its entry into the Scheme and to perform the obligations and comply with the provisions of the Rulebook.



- 2.2 The signatories of the Applicant [and the agent signing on behalf of the Applicant] have all necessary corporate authorisations and the power and authority to bind the Applicant to the Rulebook.
- 2.3 The Applicant shall ensure that it satisfies and will at all times during its participation in the Scheme satisfy the eligibility criteria for participation in the Scheme as set out in the Rulebook. If at any time, the Applicant has reason to believe that it no longer satisfies such criteria, or may be unable to satisfy such criteria, it shall notify the EPC immediately of the circumstances.
- 2.4 The Applicant is in a position to comply with all of the obligations set out in the Rulebook by the “Readiness Date” as stated in the accompanying Schedule.
3. By submitting this completed form of Adherence Agreement the Applicant agrees to be bound by the provisions of the EPC's Internal Rules governing applications for participation in the Scheme, whether or not it becomes a Participant.
4. Any communication, including service of process, to be made with the Applicant under or in connection with the Rulebook shall be made in writing and addressed to the Applicant at the address set out above.
5. The Applicant consents to the publication of its name and basic details of its adherence application on the public website of the EPC.
6. This Agreement is governed by Belgian law.

FOR AND ON BEHALF OF THE APPLICANT

Signed by (1)

-----  
-----

Name/Position -----  
-----

Date of signature -----  
-----

By (2) (if necessary)

-----  
-----

Name/Position -----  
-----

Date of signature -----  
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Where this Adherence Agreement was signed by two signatories on different dates, it shall be considered as being dated the later date.



## SCHEDULE

### Information to the Adherence Agreement for adherence to the SEPA Instant Credit Transfer Scheme

- (F) The Applicant must supply the information requested in this Schedule in support of its application to adhere to the Scheme. A failure to supply this information may result in a rejection of the application or a delay in processing it. The following information must be included in the Schedule:
- BIC8 or BIC11
  - Name of Applicant
  - Street Address
  - Post Code
  - City
  - Country
  - Generic E-mail
  - E-mail and phone number of contact person handling Applicant's Adherence Pack in-house
  - Name of chosen NASO organisation
  - Readiness Date
  - Extra billing information
- (G) Templates to be used for providing the Schedule information (Excel or Word) can be downloaded from the EPC website at [www.europeanpaymentscouncil.eu](http://www.europeanpaymentscouncil.eu). It is strongly recommended that Applicants provide the Schedule information as an Excel File.
- (H) The information supplied above shall be recorded on the EPC's Register of Participants for the SEPA Instant Credit Transfer Scheme.
- (I) The Applicant understands that any information on the Applicant's name, registered office address, Reference BIC and Readiness Date supplied in the Schedule shall be published in the relevant EPC Register of Participants on the public website of the EPC and may be made generally available for download by the EPC.
- (J) The Applicant understands that any other information supplied in the Schedule shall be available only to the EPC or to any National Adherence Support Organisation ("**NASO**") that has been chosen by the Applicant to assist in the completion of this application, as specified in section (F), and will not be disclosed to any other body.



## **Annex II SEPA Scheme Management Internal Rules**





## SEPA SCHEME MANAGEMENT INTERNAL RULES

This is a stand-alone document (EPC207-14 v2.0) which is not subject to this particular public consultation. The document can be found on the following EPC webpage:

<http://www.europeanpaymentscouncil.eu/index.cfm/knowledge-bank/epc-documents/sepa-scheme-management-internal-rules/>

