

## **EPC Introductory Note on Changes Incorporated into the SEPA Direct Debit (SDD) Core Rulebook Version 9.0 and SDD Business to Business (B2B) Rulebook Version 7.0**

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### **Introduction**

Following the outcome of the public consultation carried out as part of the EPC SEPA Scheme Rulebook Change and Release Management Cycle in 2014, the EPC decided to make some SDD Rulebook changes effective in November 2016 instead of November 2015 to allow a longer implementation period for Scheme Participants and their customers. The SDD Rulebooks with the effective date 20 November 2016 contain two main changes:

- The use of the sequence type ‘First’ (FRST) in a first of a recurrent series of SDD Core and SDD B2B collections is no longer mandatory meaning that an actual first collection can be presented in the same way as a subsequent collection with the sequence type ‘Recurrent’ (RCUR)
- All SDD Core collections presented for the first time, on a recurrent basis or as a one-off collection can be presented up to D-1 Inter-Bank Business Day (D-1) instead of currently D-5 (for FRST and ‘One-off’(OOFF) collections) and D-2 (for RCUR and ‘Last’ (LAST) collections)

### **Sequence type ‘First’ optional under a SDD mandate for recurrent SDD Core and SDD B2B collections**

The attribute 21 ‘The Transaction/ Sequence Type’ (Rulebook section 4.8.22) in the 2016 SDD Rulebooks indicates that the sequence type FRST is optional and that a SDD collection bearing this optional sequence type will be processed as if it were presented as a RCUR collection. This attribute itself remains mandatory as a usage rule to differentiate SDD collections based on a one-off or recurrent SDD Core or SDD B2B mandate.

Creditors are no more obliged to use FRST to initiate a first collection or to represent a rejected first collection. They may send SDD collections only with the sequence type RCUR.

The Debtor Bank shall not reject a SDD collection with the reason code AG02 “incorrect sequence type” if a Creditor has not used the optional sequence type FRST or has used FRST differently compared to the prescriptions of the 2015 SDD Rulebooks (effective up to 20 November 2016). It is a matter for a Debtor Bank to adjust its internal technical processes to identify an actual first SDD collection to perform checks and obligations as offered Debtor Bank SDD services including Additional Optional Services.



## **Amendment of the account of the Debtor in the SDD Mandate**

The SEPA Regulation (Regulation (EU) No 260/2012) stipulates the timelines for the application of the so-called 'IBAN only' rule (we refer to article 5 (7) of the SEPA Regulation). To ease the impact of this regulatory requirement for the Creditor, the current requirement for the notification of a mandate amendment as part of the SDD collection has been simplified as the BIC for SDD Scheme Participants located in the European Economic Area (EEA) will become optional in the mandate and in the Customer-to-Bank (C2B) data sets.

The Interbank and the C2B IGs of the current applicable version of the SDD Core and SDD B2B Rulebook contains the code SMNDA ('Same Mandate New Debtor **Agent**'). It is used by the Creditor to indicate that the Debtor has provided a payment account held at another Debtor Bank to be debited.

As the amended mandate may not indicate the BIC anymore, the Creditor will not always be able to identify whether or not the Debtor Bank has changed. Therefore, the code SMNDA will be defined as 'Same Mandate with a New Debtor **Account**' to indicate a different IBAN. This change is part of the Interbank and C2B IGs of the SDD Core Rulebook version 9.0 and the SDD B2B Rulebook version 7.0 taking effect on 20 November 2016.

## **Presentation of SDD Core collection up to D-1 Inter-Bank Business Day (D-1)**

As of the effective date of 20 November 2016 of the SDD Core Rulebook version 9.0, all SDD Core collections presented for the first time, as a one-off collection or on a recurrent basis can be presented up to 1 Inter-Bank Business Day before the due date (D-1). In other words, the SDD D-1 cycle will replace the current D-5/D-2 cycle as standard SDD Core time cycle in the SDD Core Rulebook version 9.0 and the standard D-1 cycle can be applied to all SDD Core collection types.

**The Creditors, who want to keep the existing timelines, can continue to send their SDD Core collections as from 14 calendar days before the due date (D-14). They may also send their collection within the timelines defined by their Creditor Bank to take advantage of the D-1 cycle.**

The attribute 20 'The Identification Code of the SEPA Direct Debit Scheme' (Rulebook section 4.8.21) for the SDD Core collections will always be 'CORE'. The 'COR1' option will no longer be supported with the SDD Core Scheme Rulebook version 9.0 and the Implementation Guidelines.

All SDD Core Scheme Participants must implement the SDD Core D-1 cycle by 20 November 2016. Debtor Banks will have to accept SDD Core collections until one (1) Interbank Bank Business Day before due date.

### **Note**

*The SDD Core Rulebook version 9.0 and SDD B2B Rulebook version 7.0 will be further amended during 2015 to include updated Scheme Management Internal Rules (SMIRs). Changes to the SMIRs have no operational impact whatsoever.*