European
Payments Council

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EXPLANATORY NOTE ON THE USE OF 'CORE1' AND 'SMNDA' IN SDD R-TRANSACTIONS

1. Introduction

This document explains how to correctly use 'COR1' and 'SMNDA' in R-transactions created from 20 November 2016 onwards, related to original transactions processed before 20 November 2016.

2. Use of 'COR1'

From 20 November 2016 onwards, all SEPA Direct Debit (SDD) 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). As a result, the local instrument code 'COR1' which was created to cater for an optional shorter time cycle (D-1) is no longer relevant. Only 'CORE' can be used.

However, if 'COR1' is used in an SDD Core transaction instructed before 20 November 2016 then 'COR1' should also be used in the associated R-transaction which is sent on or after 20 November 2016, taking into account the following timelines as defined in the SDD Core Rulebook (EPC016-06):

- **Reversal/Return: Within 5 interbank business days after settlement date of the original transaction.**
- **Refund: Within 8 weeks from the date on which the SDD amount was debited from the account of the Debtor.**
- **Refund related to a non-authorised transaction: Within 13 months of the debit date.**

3. Use of 'SMNDA'

When the creditor only receives the debtor's IBAN - in accordance with the SEPA Regulation[1] - it will not always be possible to derive if an account change took place within the same or in another debtor bank. To better accommodate this situation, the definition of the acronym 'SMNDA' has been updated as follows:

- Until 19 November 2016: Same Mandate with a New **Debtor Agent** (i.e. old definition).
- As from 20 November 2016: Same Mandate with a New **Debtor Account** (i.e. new definition).

If 'SMNDA' is used in line with the 'old' definition in an SDD Core/B2B message instructed before 20 November 2016 then the associated R-transaction which is sent on or after 20 November 2016 should also be instructed in line with the

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[1] Regulation (EU) No 260/2012

'old' definition, taking into account the following timelines as defined in the SDD Core Rulebook (EPC016-06):

- **Reversal/Return: Within 5 interbank business days after settlement date of the original transaction.**
- **Refund: Within 8 weeks from the date on which the SDD amount was debited from the account of the Debtor.**
- **Refund related to a non-authorised transaction: Within 13 months of the debit date.**

Or as defined in the SDD B2B Rulebook (EPC222-07):

- **Reversal: Within 5 interbank business days after settlement date of the original transaction.**
- **Return: Within 2 interbank business days after settlement date of the original transaction.**

4. Related implementation guidelines

This explanatory note should be read in conjunction with the following documents:

- EPC130-08 SDD Core C2B IGs.
- EPC114-06 SDD Core Interbank IGs.
- EPC131-08 SDD B2B C2B IGs.
- EPC301-07 SDD B2B Interbank IGs.