European
Payments Council

CHANGE PROPOSAL SUBMISSION DOCUMENT
FOLLOWING THE 2016 PUBLIC CONSULTATION
ON SCT CHANGE REQUESTS

Abstract	This document contains the results and comments received on the change requests submitted for public consultation on possible modifications to be introduced into the SCT rulebook to take effect in 19 November 2017.
Reason for Issue	Feedback to all stakeholders on the results of the 2016 public consultation
Produced by	EPC
Circulation	Publicly available

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1. FOREWORD: THE PRINCIPLES OF SEPA SCHEME DEVELOPMENT

The Single Euro Payments Area (SEPA) payment schemes, as set out in the SEPA Credit Transfer (SCT) and SEPA Direct Debit (SDD) Rulebooks, evolve based on a transparent change management process adhered to by the European Payments Council (EPC).

This evolution reflects changes in market needs and updates of technical standards developed by international standardisation bodies, such as the International Organization for Standardization (ISO).

The principles governing the evolution of the SEPA Schemes are set out in section three of the SEPA Scheme Management Internal Rules (SMIRs).

1.1. EPC rulebook release management - important notice to all SEPA stakeholders

The EPC publishes updated versions of the rulebooks at a minimum every two years in the month of November. In accordance with industry best practice, payment service providers and their suppliers therefore have sufficient lead time to address rulebook updates prior to such changes taking effect.

The next version of the SCT and SDD Rulebooks (2017 SCT Rulebook version 1.0, 2017 SDD Core Rulebook version 1.0 and 2017 SDD Business to Business (B2B) Rulebook version 1.0), will be published in 24 November 2016. Based on the established release management cycle, the updated versions will take effect on 19 November 2017 (SWIFT 2017 Standards Release live date).
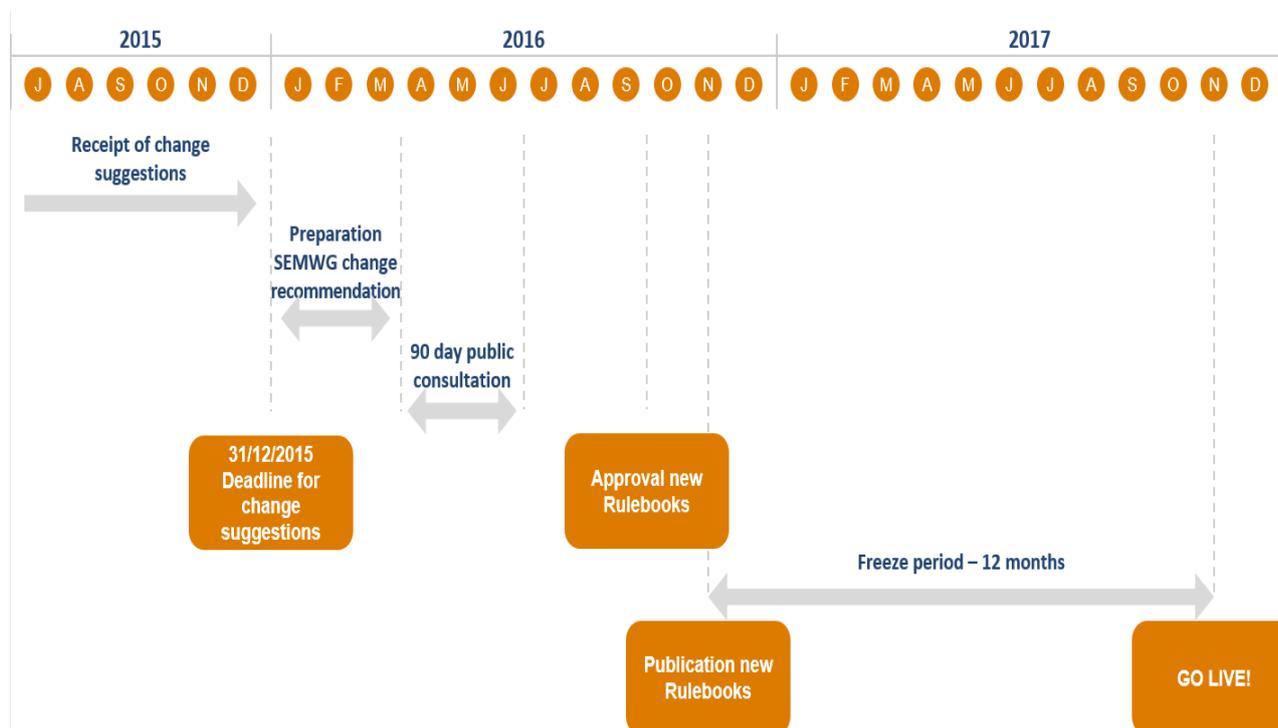
Figure 1 SEPA scheme rulebook change and release management cycle

1.2. SEPA payment scheme development: EPC scheme change management

The first step in the EPC scheme change management cycle is the **introduction of change requests** to the schemes by any interested party.

In consideration of the change requests received, the EPC Scheme Evolution and Maintenance Working Group (SEMWG) develops a **public consultation document**, containing the change requests and the related SEMWG recommendations, per EPC SEPA scheme rulebook.

The preparation of the public consultation documents involves the analysis of the change requests received which may include, as appropriate, an impact analysis. Based on this analysis, the SEMWG issues a recommendation on how each change request should be handled.

All submitted change requests to modify the rulebooks received by the EPC are published through the public consultation documents on the EPC Website, permitting such a list to be openly viewed by all stakeholders. The public consultation documents are released for a **three-month public consultation** in the second quarter of the year.

From the moment the three-month public consultation has ended, the SEMWG shall collect and consolidate the comments received from all scheme participants and stakeholders during the public consultation. The SEMWG then analyses the expressed support and the comments received for each change request. After that, it develops **change proposals** based on the level of support and comments received from the public consultation.

A change proposal as developed by the SEMWG may bring together more than one change, developed from one or more change requests.

The SEMWG consolidates the change proposals, along with each change request and the related non-confidential comments received from the contributors during the public consultation, in the **change proposal submission document**.

The change proposal submission document is then submitted to the **EPC Scheme Management Board (SMB)**, the **Scheme End-User Forum (SEUF)** and the **EPC Scheme Technical Forum (ESTF)**.

The roles of the SEUF and the ESTF are described in section 4.4 of the SMIRs. The SEUF and the ESTF formulate their respective positions and address them to the SMB. The SMB will have its final decision-making deliberations in accordance with section 4.2.5 of the SMIRs.

2. **<u>EXECUTIVE SUMMARY</u>**

This Change Proposal Submission Document (EPC166-16) describes that each stage of the 2016 SCT rulebook change management cycle, from the initiation to the public consultation, has been properly completed in respect of the each change request submitted.

The first step in the change management cycle has been the **introduction of change requests** to the scheme by any interested party. Deadline for receipt of such suggestions was 31 December 2015. The EPC received **23** change requests for major changes to be introduced into the SCT rulebook.

The public consultation on possible modifications to be introduced into the SCT rulebook to take effect in 19 November 2017 ran from 5 April 2016 until 4 July 2016.

The documents circulated for the public consultation were the document SCT rulebook Change Request Consultation Document (EPC 011-16) and the Response Template (EPC 014-16) and both have been made available on the EPC Website.

This Change Proposal Submission Document contains for each change request:

a) A summary of the change request

b) The SEMWG analysis and the recommendation given for the public consultation

c) The comments received during the public consultation

d) The SEMWG change proposal submitted to the SMB, the SEUF and the ESTF for their consideration

e) The SMB decision on each SEMWG change proposal

The SMB took into account the position documents **EPC 183-16** and **EPC 182-16** from the SEUF and the ESTF respectively when making its decision on each SEMWG change proposal.

As a result of the 2016 SCT rulebook change management process, the SCT rulebook has been updated to include

- The obligation for scheme participants to accept at least but not exclusively Customer-to-Bank (C2B) SEPA payment message files based on the EPC's C2B SEPA scheme Implementation Guidelines (IGs) for SCT.

    Customers will still have the choice either to continue using their accepted C2B file set-up or to opt for the C2B file based on EPC specifications. On the other hand, the scheme participants will have to be technically capable of supporting the EPC C2B file specifications.

- SCT inquiry procedures becoming effective as of 18 November **2018** between the Beneficiary Bank and the Originator Bank based on ISO 20022 camt. XML messages. All SCT scheme participants will have to be at least able to accept the ISO 20022 XML message-based SCT inquiries and be able to respond to these SCT inquiries via defined ISO 20022 XML messages.

- The concrete procedure for Originator Banks to handle a 'Request for Recall by the Originator' for a reason other than duplicate sending, technical problems resulting in erroneous SCT(s) and a fraudulently originated SCT, whereby this procedure will rely upon ISO 20022 XML messages. This procedure becomes effective as of 18 November **2018.**

All SCT scheme participants will have to be able to accept the ISO 20022 XML message-based 'Request for Recall by the Originator' and be able to respond to this request via defined ISO 20022 XML messages.

It is emphasized that in accordance with PSD2, the SCT transaction once issued by the Originator remains irrevocable. This procedure does not guarantee that the Originator will get back the funds of the initial credit transfer.

- Regulatory changes driven by

    o The Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 ('PSD 2') becoming effective as of 13 January 2018

    o The guides for the assessment of credit transfer schemes against the Eurosystem's oversight standards. The Eurosystem has conducted an oversight assessment on the SDD Core scheme.

These changes impact the rights and obligations of scheme participants and the SMIRs but do not affect the operational and business rules of the SCT rulebook.

- A number of changes to ensure as much as possible consistency with the SEPA Instant Credit Transfer Scheme Rulebook.

Overview of 2016 change requests with the SEMWG proposals and the final SMB decision

Item	Change request title	SMB decision
1	General rules on responding to SCT recall requests	For inclusion in the 2017 SCT Rulebook
8	Mandatory Customer-to-Bank (C2B) Implementation Guidelines (IGs)	For inclusion in the 2017 SCT Rulebook
11	new SEPA Scheme Rulebook and Implementation Guidelines for card payments	Not to be included in the 2017 SCT Rulebook.
12	Implementation of the purpose code 'IBAN Check Failed' for all SEPA payments	Not to be included in the 2017 SCT Rulebook.
13	Extension of the use of existing technical r-transaction reason codes and the introduction of new technical r-transaction reason codes for specific pain and pacs messages	Not to be included in the 2017 SCT Rulebook.
14	Assign clear responsibilities to scheme participants and CSMs for executing those SEPA Usage Rules defined in the interbank Implementation Guidelines	Not to be included in the 2017 SCT Rulebook.
17	The introduction of LEI in the EPC SEPA schemes	Not to be included in the 2017 SCT Rulebook.
18	Request for clarification on the version of the ISO pain messages in the Rulebooks	Not to be included in the 2017 SCT Rulebook.
19	Clarification in business requirements for AT-05 for structured remittance info	Not to be included in the 2017 SCT Rulebook. In 2017, the EPC will collect the concrete needs from different payment

Item	Change request title	SMB decision
		end-user groups and analyse the impact of possible solutions for scheme participants and for the different payment end-user groups.
20	Allow contemporaneous presence of Unstructured and Structured remittance info in payment messages	Not to be included in the 2017 SCT Rulebook. In 2017, the EPC will collect the concrete needs from different payment end-user groups and analyse the impact of possible solutions for scheme participants and for the different payment end-user groups.
21	Increase space in the payment messages for the Unstructured remittance info	Not to be included in the 2017 SCT Rulebook. In 2017, the EPC will collect the concrete needs from different payment end-user groups and analyse the impact of possible solutions for scheme participants and for the different payment end-user groups.
22	Increase space in the payment messages for the Structured remittance info	Not to be included in the 2017 SCT Rulebook. In 2017, the EPC will collect the concrete needs from different payment end-user groups and analyse the impact of possible solutions for scheme participants and for the different payment end-user groups.
23	Forward to the beneficiary the IBAN and address of the originator	Not to be included in the 2017 SCT Rulebook. There is no guarantee that the Beneficiary Bank is able to comply with the national data protection legislation to be respected by the Originator Bank. It would create fragmentation in the delivery of bank-to-

Item	Change request title	SMB decision
		customer credit transfer information among the SEPA countries.
24	Additional clarification on the content (with examples) to be inserted in AT-09, AT-10 AT-24 and AT-29	Not to be included in the 2017 SCT Rulebook.
29	Amendment to the SCT Return procedure allowing the Beneficiary Bank to return the funds when requested by the Beneficiary	Not to be included in the 2017 SCT Rulebook.
32	Amendment to Chapter '1.4 Character Set' of the Customer-to-Bank and Inter-Bank IGs	Not to be included in the 2017 SCT Rulebook. In 2017, the EPC will analyse the possibilities and the impact of extending the number of characters in the SEPA character set for scheme participants and payment end-user groups.
34	The category purpose of the credit transfer (AT-45) - collection (AT-59) to become mandatory	Not to be included in the 2017 SCT Rulebook.
35	New reason code for AT-48 (The SCT Recall reason code)	Not to be included in the 2017 SCT Rulebook.
36	Amendment to section 2.1 of the Scheme Management Internal Rules (SMIRs)	For inclusion in the 2017 SCT Rulebook
37	Making storage location for additional customer-to-customer information available outside the payment transaction	Not to be included in the 2017 SCT Rulebook. In 2017, the EPC will collect the concrete needs from different payment end-user groups and analyse the impact of possible solutions for scheme participants and for the different payment end-user groups.
38	Amendments to section 3.2.3.5 of the Scheme Management Internal Rules (SMIRs) and Rulebook section 5.6	For inclusion in the 2017 SCT Rulebook
39	Inclusion of SCT inquiries	For inclusion in the 2017 SCT Rulebook with this change request becoming effective as of November 2018.
40	Inclusion of 'Recall Request by the Originator'	For inclusion in the 2017 SCT Rulebook with this change request becoming effective as of November 2018.

3. OVERVIEW OF CHANGE REQUESTS SUBMITTED FOR THE 2016 PUBLIC CONSULTATION

All change requests to the SCT rulebook were reviewed by the SEMWG.

This section contains a summary of the change requests which were presented for public consultation along with the recommendation given by the SEMWG for each change request.

3.1. Possible recommendations for a change request

Each recommendation reflects one of the options detailed in items a) through f) below:

a) The change request is **already provided for** in the scheme.

- No action is necessary for the EPC.

b) The change request **should be incorporated into the scheme**.

- The change request becomes part of the scheme and the rulebook is amended accordingly.

c) The change request **should be included in the scheme** as an **optional feature.**

- The new feature is optional and the rulebook will be amended accordingly.
- Each scheme participant[1] may decide to offer the feature to its customers, or not.

d) The change request **is not considered fit for SEPA wide use** and could be **handled as an additional optional service (AOS)** by interested communities.

- The proposed new feature is not included in the rulebook or in the implementation guidelines released by the EPC with regard to the rulebooks.
- The development of AOS is out of scope of the EPC. The EPC does however publish declared AOS arrangements on its website for information.
- The EPC may consider the inclusion of AOS arrangements, if supported by a sufficient number of communities, in a future version of the rulebook.

e) The change request **cannot be part** of the existing scheme.

- It is technically impossible.
- It is not feasible (explained on a case by case basis).
- It is out of scope of the EPC.
- It does not comply with the SEPA Regulation[2] or any other relevant EU legislation.

f) The change request may be considered for the development of a **new scheme.**

- The change request reflects major changes which cannot be integrated into an existing scheme
- To develop the change request further, i.e. to develop a new scheme, the following requirements should be met:

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[1] A scheme participant is a payment service provider which has formally adhered to a SEPA Scheme.

[2] 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

- The benefits of the new scheme for bank customers are demonstrated prior to the launch of the development phase.
- It is demonstrated that a sufficient number of stakeholders will make use of the new scheme.
- A cost-benefit analysis is provided.
- It complies with the SEPA Regulation or any other relevant Regulation.

3.2. Summary of change requests and the expressed support following the public consultation

The two tables below express the level of support from the contributors to the EPC SEMWG recommendations presented during the public consultation. The list of contributors can be found in Annex I at the end of this document.

The tables summarise the responses from the (national communities of) scheme participants and the other contributors respectively for each change request. The contributors were requested to indicate in the response template if they support the SEMWG recommendation ("Yes") or not ("No"). They also had the choice to express no position on the change request or on the SEMWG recommendation ("No Opinion"). **The number of "No Opinion" positions have not been taken into account when determining the level of support for each change request.**

For a few change requests, the SEMWG did not formulate a concrete recommendation. Instead the contributors were asked to express their comments. We refer to the section "Explicit public consultation comments received" for each concerned change request under section 4 to know the concrete position from the contributors.

Please note that contributors may have expressed a "Yes", a "No" or a "No Opinion" position without having provided further comments. The section "Explicit public consultation comments received" for each change request under section 4 will only report the explicit comments received from each contributor but not the "Yes", a "No" or a "No Opinion" position itself of that contributor.

Table 1 **Scheme participants**: summary of change requests and the expressed support following the public consultation

Item	Change request title	EPC SEMWG recommendation	Count "Yes"	Count "No"	Count "No Opinion"
1	General rules on responding to SCT recall requests	Should be incorporated into the scheme - **option b**	18	0	1
8	Mandatory Customer-to-Bank (C2B) Implementation Guidelines (IGs)	Should be incorporated into the scheme - **option b**	13	5	1
11	new SEPA Scheme Rulebook and Implementation Guidelines for card payments	Out of scope for the change management cycle for this specific scheme	17	0	2
12	Implementation of the purpose code 'IBAN Check Failed' for all SEPA payments	Cannot be part of the existing scheme – **option e**	18	0	1
13	Extension of the use of existing technical r-transaction reason codes and the introduction of new technical r-transaction reason codes for specific pain and pacs messages	**No SEMWG recommendation defined**	Free text input	Free text input	Free text input
14	Assign clear responsibilities to scheme participants and CSMs for executing those SEPA Usage Rules defined in the interbank Implementation Guidelines	Cannot be part of the existing scheme – **option e**	17	1	1
17	The introduction of LEI in the EPC SEPA schemes	Cannot be part of the existing scheme – **option e**	18	0	1
18	Request for clarification on the version of the ISO pain messages in the Rulebooks	Cannot be part of the existing scheme – **option e**	18	0	1
19	Clarification in business requirements for AT-05 for structured remittance info	**No SEMWG recommendation defined**	Free text input	Free text input	Free text input
20	Allow contemporaneous presence of Unstructured and Structured remittance info in payment messages	Cannot be part of the existing scheme – **option e**	17	2	0
21	Increase space in the payment messages for the Unstructured remittance info	Cannot be part of the existing scheme – **option e**	17	1	1
22	Increase space in the payment messages for the Structured remittance info	Cannot be part of the existing scheme – **option e**	17	1	1
23	Forward to the beneficiary the IBAN and address of the originator	Should be incorporated into the scheme (**option b**) with both fields as optional attributes.	13	5	1
24	Additional clarification on the content (with examples) to be inserted in AT-09, AT-10 AT-24 and AT-29	Cannot be part of the existing scheme – **option e**	17	1	1
29	Amendment to the SCT Return procedure allowing the Beneficiary Bank to return the funds when requested by the Beneficiary	Cannot be part of the existing scheme – **option e**	16	2	1
32	Amendment to Chapter '1.4 Character Set' of the Customer-to-Bank and Inter-Bank IGs	Cannot be part of the existing scheme – **option e**	15	3	1
34	The category purpose of the credit transfer (AT-45) - collection (AT-59) to become mandatory	Cannot be part of the existing scheme – **option e**	17	2	0
35	New reason code for AT-48 (The SCT Recall reason code)	Cannot be part of the existing scheme – **option e**	18	0	1
36	Amendment to section 2.1 of the Scheme Management Internal Rules (SMIRs)	Should be incorporated into the scheme - **option b**	17	0	2
37	Making storage location for additional customer-to-customer information available outside the payment transaction	Should be incorporated into the scheme - **option b**	9	9	1
38	Amendments to section 3.2.3.5 of the Scheme Management Internal Rules (SMIRs) and Rulebook section 5.6	Should be incorporated into the scheme - **option b**	17	0	2
39	Inclusion of SCT inquiries	Should be incorporated into the scheme - **option b** as of **November 2018**	10	8	1
40	Inclusion of 'Recall Request by the Originator'	Should be incorporated into the scheme - **option b** as of **November 2017** **If the respondent agrees with the change request as such, the respondent should indicate if this change request should be incorporated into the Scheme as of November 2017 or rather as of November 2018.**	14	4	1

Table 2 **Other contributors**: summary of change requests and the expressed support following the public consultation

Item	Change request title	EPC SEMWG recommendation	Count "Yes"	Count "No"	Count "No Opinion"
1	General rules on responding to SCT recall requests	Should be incorporated into the scheme - **option b**	8	0	4
8	Mandatory Customer-to-Bank (C2B) Implementation Guidelines (IGs)	Should be incorporated into the scheme - **option b**	9	0	3
11	new SEPA Scheme Rulebook and Implementation Guidelines for card payments	Out of scope for the change management cycle for this specific scheme	5	0	7
12	Implementation of the purpose code 'IBAN Check Failed' for all SEPA payments	Cannot be part of the existing scheme – **option e**	5	1	6
13	Extension of the use of existing technical r-transaction reason codes and the introduction of new technical r-transaction reason codes for specific pain and pacs messages	**No SEMWG recommendation defined**	Free text input	Free text input	Free text input
14	Assign clear responsibilities to scheme participants and CSMs for executing those SEPA Usage Rules defined in the interbank Implementation Guidelines	Cannot be part of the existing scheme – **option e**	2	3	7
17	The introduction of LEI in the EPC SEPA schemes	Cannot be part of the existing scheme – **option e**	7	0	5
18	Request for clarification on the version of the ISO pain messages in the Rulebooks	Cannot be part of the existing scheme – **option e**	3	1	8
19	Clarification in business requirements for AT-05 for structured remittance info	**No SEMWG recommendation defined**	Free text input	Free text input	Free text input
20	Allow contemporaneous presence of Unstructured and Structured remittance info in payment messages	Cannot be part of the existing scheme – **option e**	4	5	3
21	Increase space in the payment messages for the Unstructured remittance info	Cannot be part of the existing scheme – **option e**	3	6	3
22	Increase space in the payment messages for the Structured remittance info	Cannot be part of the existing scheme – **option e**	3	5	4
23	Forward to the beneficiary the IBAN and address of the originator	Should be incorporated into the scheme (**option b**) with both fields as optional attributes.	5	3	4
24	Additional clarification on the content (with examples) to be inserted in AT-09, AT-10 AT-24 and AT-29	Cannot be part of the existing scheme – **option e**	8	0	4
29	Amendment to the SCT Return procedure allowing the Beneficiary Bank to return the funds when requested by the Beneficiary	Cannot be part of the existing scheme – **option e**	5	0	7
32	Amendment to Chapter '1.4 Character Set' of the Customer-to-Bank and Inter-Bank IGs	Cannot be part of the existing scheme – **option e**	4	5	3
34	The category purpose of the credit transfer (AT-45) - collection (AT-59) to become mandatory	Cannot be part of the existing scheme – **option e**	5	0	7
35	New reason code for AT-48 (The SCT Recall reason code)	Cannot be part of the existing scheme – **option e**	4	1	7
36	Amendment to section 2.1 of the Scheme Management Internal Rules (SMIRs)	Should be incorporated into the scheme - **option b**	5	0	7
37	Making storage location for additional customer-to-customer information available outside the payment transaction	Should be incorporated into the scheme - **option b**	2	7	3
38	Amendments to section 3.2.3.5 of the Scheme Management Internal Rules (SMIRs) and Rulebook section 5.6	Should be incorporated into the scheme - **option b**	5	0	7
39	Inclusion of SCT inquiries	Should be incorporated into the scheme - **option b as of November 2018**	7	1	4
40	Inclusion of 'Recall Request by the Originator'	Should be incorporated into the scheme - **option b as of November 2017** **If the respondent agrees with the change request as such, the respondent should indicate if this change request should be incorporated into the Scheme as of November 2017 or rather as of November 2018.**	4	2	6

3.3. Summary of changes for inclusion in the next version of the SCT rulebook to be aligned with the SEPA Regulation or with any other relevant EU legislation

Ref.	Topic	Contributor	Way forward
No change items were identified at the time of the start of the public consultation that required a change to the rulebook due to any particular EU legislation. **An overview of the regulatory changes is available in Chapter 5 of this document.**			

4. RESULTS FROM THE PUBLIC CONSULTATION WITH THE SEMWG CHANGE PROPOSAL FOR THE SMB, THE SEUF AND THE ESTF

4.1. # 1: General rules on responding to SCT recall requests

4.1.1. Description

This change request was made by the SEMWG.

The SCT rulebook currently prescribes that the originator bank has to make a SCT recall request within ten banking business days after the execution of the SCT from the originator's account. The beneficiary bank has then ten days to provide a response to the SCT recall request from the originator bank.

The change request is to better specify the rules in the section 4.3.2 and section 4.4 of the SCT Rulebook by precisely what type of day the contacted beneficiary bank needs to respond to the originator bank.

It should provide a clear and unambiguous understanding about the maximum permitted response timeline for beneficiary banks to SCT recall requests. Different interpretations about the response timeline for the SCT recall business rules will be no longer possible

4.1.2. SEMWG analysis and recommendation for the public consultation

The SEMWG suggests incorporating the change request into the Scheme (**option b**).

4.1.3. SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal

The vast majority of EPC scheme participants (via national banking communities or via individual comments) and other contributors to the 2016 public consultation supported the SEMWG recommendation that this change request can be part of the scheme.

Therefore, the SEMWG proposes to include this change request in the 2017 SCT Rulebook version 1.0.

Explicit public consultation comments received

Contributor	Comments received
Fédération bancaire française	YES Useful additional clarification for a better understanding of the maximum recall response timeline
Payments UK	YES If this just means for instance that business day instead of calendar day will be specified, then this is helpful. More detail on the precise proposed text would be useful.
Polish banks' association	YES Additionally: We propose to add a new status code for Recall: No response from Beneficiary Bank.

Contributor	Comments received
	It should provide a clear understanding, that in specific situations ""return"" messages (Recall answer) initiated by the Beneficiary bank could be not transmitted to the Originator Bank within 10 business day. After that time Originator Bank has right to generate a negative answer to client with new reason: No response from Beneficiary Bank."
CaixaBank Spain	YES All incorporations to the rulebook that help to reduce the need to infer are welcomed.

4.1.4. SMB decision

For inclusion in the 2017 SCT Rulebook.

4.2. # 8: Mandatory Customer-to-Bank (C2B) Implementation Guidelines (IGs)

4.2.1. Description

This change request was made by the SEMWG.

In 2014, the Euro Retail Payments Board (ERPB) noted that various SEPA countries and EPC scheme participants have created their own configurations ("subsets") of the XML-based SEPA payment messages in the Customer-to-Bank (C2B) space. Corporate customers which transact in various countries and/or with different Payment Service Provider (PSP) partners need to implement these customer-to-bank (C2B) interface subsets.

The ERPB meeting on 1 December 2014 agreed to support the publication and the use of the EPC's current C2B Implementation Guidelines (IGs) by all market participants. The ERPB recommends making the EPC's C2B IGs mandatory in the next EPC SEPA rulebook change management cycle (reference is made to the recommendation ERPB/2014/rec1).

The EPC proposes that a scheme participant is obliged to accept at least but not exclusively C2B SEPA payment message files based on the EPC's C2B SEPA scheme IGs defined for SCT, SDD Core and SDD B2B.

Originator banks would still be free to agree with their originators to use any other ISO 20022 XML payment message standard format to submit their C2B SEPA payment message files to their PSPs.

This means that customers will still have the choice either to continue using their accepted C2B file set-up or to opt for the C2B file based on EPC specifications. On the other hand, the scheme participants will have to be technically capable of supporting the EPC C2B file specifications.

4.2.2. SEMWG analysis and recommendation for the public consultation

The SEMWG suggests incorporating the change request into the Scheme (**option b**).

4.2.3. SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal

The vast majority of EPC scheme participants (via national banking communities or via individual comments) and other contributors to the 2016 public consultation supported the SEMWG recommendation that this change request can be part of the scheme.

Therefore, the SEMWG proposes to include this change request in the 2017 SCT Rulebook version 1.0.

Explicit public consultation comments received

Contributor	Comments received
Spanish banking community	YES The Spanish Community already follows the IGs as they are now.

Contributor	Comments received
Finnish banking community	NO C2B should remain in competitive space for the banks
Bank association of Slovenia	NO The existing solution satisfy our customer needs.
BNP Paribas	NO No specific interest as the current EPC guidelines are already largely adopted. BNPP already supports existing EPC guidelines in all countries.
Danish bankers association	YES While this will result in some development cost for our members, we support the recommendation as it will lessen fragmentation - and also since it is a recommendation from the ERPB, it would require strong reasons to disagree.
Banking & Payments Federation Ireland	NO We do not see any need to support two different file formats. There would be two sets of File formats which would be required and supported.
Nordea Bank	YES We frequently experience fragmentation when implementing multi-country solutions for our corporate customers. Therefore this will be a step in the right directions - although also adding to the processing costs in Nordea. Also when decisions are made to use a never version of the ISO XML 20022 version 3.
Polish banks' association	YES To the extent required by Regulation 260/2012
CaixaBank Spain	YES Certainly, it would result somewhat strange that a C2B SEPA Scheme-compliant message issued by a Customer was not accepted by a Participant Bank and we found correct that scheme reflects it as a mandatory requirement.
Italian Association of Corporate Treasurers	YES Standardization in the dialogue between PSP and Corporates is essential to enable competition and eliminate entry and exit barriers. Competition among PSP should be based on service level and price and not on message formats.
European Association of Corporate Treasurers	YES Essential for Corporates to dialogue with all payment service providers using the same standard format.
Verband Deutscher Treasurer e.V.	YES Standardization of the dialogue between PSP and corporates is important to enable competition and eliminate entry and exit barriers. Competition among PSP should be based on service level and pricing.

4.2.4. SMB decision

For inclusion in the 2017 SCT Rulebook.

4.3. # 11: new SEPA Scheme Rulebook and Implementation Guidelines for card payments

4.3.1. Description

This change request was made by Equens.

It calls for support for the idea of a single European payments area for card payments.

A new SEPA Scheme Rulebook and Implementation Guidelines for card payments should be created to support a standard way of card processing used for domestic schemes, in-cloud and/or on-us clearing & settlement in all countries and for cross country payments.

4.3.2. SEMWG analysis and recommendation for the public consultation

The SEMWG considers that this change request is out of scope for the change management cycle for this specific scheme. This suggestion will be forwarded to the EPC Board and the EPC Cards WG.

4.3.3. SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal

The vast majority of EPC scheme participants (via national banking communities or via individual comments) and other contributors to the 2016 public consultation supported the SEMWG recommendation that this change request cannot be part of the scheme.

Therefore, the SEMWG proposes not to include this change request in the 2017 SCT Rulebook version 1.0.

Explicit public consultation comments received

Contributor	Comments received
Spanish banking community	NO OPINION Out of scope
Portuguese banking community	YES Not applicable.
CaixaBank Spain	YES Out of scope; refers to cards.
EQUENS SE	NO OPINION Although Equens understands the reason for the SEMWG recommendation we are still convinced that the topic must be followed up by EPC. However, we support EPC SEMWG recommendation in order to forward the proposal to the EPC Board and to the EPC cards working group

4.3.4. SMB decision

Not to be included in the 2017 SCT Rulebook.

4.4. # 12: Implementation of the purpose code 'IBAN Check Failed' for all SEPA payments

4.4.1. Description

This change request was made by Equens.

It shortly explains an option that was used in the legacy German domestic payment schemes. The option allowed that legacy payments whereby the check digits of the account number were not correct, could be still forwarded by the initiating bank by using some sort of text key extension (Textschlüsselergänzung 444).

It is suggested to implement a purpose code for SEPA payments having a similar meaning to the German text key extension. This should be the code IBCF "IBAN-check failed" for all formats and can be filled by initiating bank. This may be defined to be a regional or national AOS.

4.4.2. SEMWG analysis and recommendation for the public consultation

The SEMWG recommends not taking forward the change request (**option e**).

The interbank arrangements for SCT and SDD transactions are now based on IBAN. The IBAN foresees already its own check feature, i.e. the IBAN account check-digit.

This makes that the account identifiers in the national BANs are no longer used. The proposed sort of text key extension is not necessary.

4.4.3. SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal

The vast majority of EPC scheme participants (via national banking communities or via individual comments) and other contributors to the 2016 public consultation supported the SEMWG recommendation that this change request cannot be part of the scheme.

Therefore, the SEMWG proposes not to include this change request in the 2017 SCT Rulebook version 1.0.

Explicit public consultation comments received

Contributor	Comments received
CaixaBank Spain	YES Once defined that SCT and SDD are IBAN-based ops, any kind of arrangement that may lead to accepting BANs -structured data is out of scope and thus scheme should not reflect it.
EQUENS SE	NO although Equens understands the reason for the SEMWG recommendation we are still convinced that the topic must be followed up by EPC

4.4.4. SMB decision

Not to be included in the 2017 SCT Rulebook.

4.5. # 13: Extension of the use of existing technical r-transaction reason codes and the introduction of new technical r-transaction reason codes for specific pain and pacs messages

4.5.1. Description

This change request was made by Equens.

The contributor explains that every clearing mechanism defines its own error codes as the EPC rulebooks currently do not include many technical codes. These error codes are not included in the main interbank formats.

This results into technical errors regularly being mapped to the reason code MS03 (= reason not specified) when forwarded to another participant. This leads to lack of clarity, misunderstandings, requests and repetition of the errors.

The **first suggestion** is to implement the following reason codes:

- CNOR and DNOR for use in Pacs.004 to be used instead of MS03
- DT01 "Invalid Date" for use in Pacs.002, Pacs.004 and Pain.002 instead of MS03
- ED05 (= SettlementFailed) for use in the pacs.002

The **second suggestion** is to implement the ISO reason code "NARR" in combination with the XML field AdditionalInformation, currently a white field in the Implementation Guidelines, to be shaded yellow. If the reason code is NARR, then AddititionalInformation must be present. If the reason code is not NARR, then AddititionalInformation is optional in ISO. The code should be implemented for Pacs.002, Pacs.004 and Pain.002.

This will make it easier for every participant to give detailed information about the reason for a r-transaction, especially for technical issues. The field "AdditionalInformation" should be allowed to be used in combination with the existing SEPA codes.

An alternative to the second change request is to open up the Reason Proprietary field. Currently this is a white field, it should be shaded yellow. It can then be used for proprietary codes.

4.5.2. SEMWG analysis and recommendation for the public consultation

The SEMWG does not propose a concrete recommendation for this change request for the public consultation.

On the one hand, how the clearing mechanisms clear transactions and report clearing issues lies outside the scope of the EPC. On the other hand, the Rulebook does specify reason codes that can be used by clearing mechanisms.

The SEMWG looks forward to the comments from the stakeholders taking part in the public consultation.

4.5.3. SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal

A majority of EPC scheme participants (via national banking communities or via individual comments) do not support that this change request can be part of the scheme.

However, it is noted that other contributors do support the change request. In consideration of the overall comments received, the SEMWG proposes not to include this change request in the 2017 SCT Rulebook version 1.0.

The SEMWG suggests that the SEPA-scheme compliant Clearing and Settlement Mechanisms (CSMs) should discuss this change request and come to a consensus among them. The SEMWG is of the opinion that this topic falls outside the scheme rulebook and it proposes that the ESTF takes up this point as a work item.

Explicit public consultation comments received

Contributor	Comments received
Stuzza Austria	We don't support this request.
Czech Banking Association	No. Sufficient number of reason codes already exists.
Spanish banking community	Cannot be part of the existing scheme - option e. There is no need that justifies the complexity added by this extension in reason codes. The Spanish Community does not support this proposal.
Finnish banking community	Technical reason codes used by CSMs should not be incorporated to EPC schemes.
Dutch Payments Association	DPA proposes to deal with this change request in the same way as with change proposal SCT #14. A discussion should first be held between the EPC and the SEPA scheme-compliant clearing and settlement mechanisms (CSMs) before further extension of technical reason codes can be introduced. Dutch banks emphasize their opposition against reason codes for 'Additional Information'. Especially no additional reasoncodes with free format text (e.g. NARR) for the end-users.
Bank association of Slovenia	We agree with the change request made by Equens. Today banks usually received reason code MS-03 (reason not specified), when the transaction is rejected by the clearing mechanism. The reason for the r-transaction should be more specified (detailed information).
German Banking Industry Committee (GBIC) and Deutsche Bundesbank	GBIC does not support the CR as CSMs are not participants of the Scheme (out of scope).
Fédération bancaire française	NO. We don't support this CR. The suggested R-transactions codes regard the CSM and are consequently out of RB scope. Not mentioning these reason codes in the RB doesn't prevent CSM from using them. Furthermore, the Guidance on reason

Contributor	Comments received
	codes for R-transactions (EPC 173-14) already describes 25 reason codes. Is it necessary to add a few more as stakeholders often complain about their readability? A later clarification (in the guidance or in the RB) must be foreseen mentioning that those reason codes are deemed to be agreed between CSM and their participants and are consequently not part of the SEPA scheme
Portuguese banking community	A common validation should be addressed at CSMs level
BNP Paribas	e) The change request cannot be part of the existing scheme. Reason codes should be as clear as possible, but should also be stable and largely supported. A particular attention should also be set on the format mentioned: - pacs.004 is used for returns. So CNOR and DNOR doesn't seem to apply, as the original operation must have been settled. - The rulebook do not intend to describe the content of the pain.002, which is the bank-to-cutomer reporting - OK for the usage of ED05 in pacs.002 - The usage of narrative and proprietary fields should remain subject to AOS: its usage is against the STP principle. We prefer a global and common list of reason codes.
Citibank	No Opinion
Danish bankers association	We support this proposal to reduce the use of reason code MS03 - as long as it is understood that it is optional to use for the sender. As a general rule, we are sceptical as to the use of unstructured text
Banking & Payments Federation Ireland	There is no requirement to have additional new 'R' transaction codes or to extend existing codes at this time for specific Pain and Pacs messages
Luxembourg bankers' association	We do not support this CR, amongst others because suggestion 2 implies manual intervention.
Nordea Bank	We support this proposal to reduce the use of reason code MS03 - as long as it is understood that it is optional to use for the sender. As a general rule, we are sceptical as to the use of unstructured text.

Contributor	Comments received
Payments UK	We support more agreement on the use of reason codes and consistency amongst different communities. We think that the opinion of Euro Banking Association should be sought for this particular item. If this change request is supported, this will impact the customer reports (PSR, camt.054) and reconciliation process on ERP side. CNOR (Creditor Bank is not registered under this BIC in the CSM) and DNOR (Debtor Bank is not registered under this BIC in the CSM) are currently supported by the SEPA scheme (EPC Guidance on reason codes for R-transactions). DT01 (Invalid Date), ED05 (SettlementFailed) and NARR are not included in the EPC Guidance on reason code and not yet supported by ERP system on client side. This could affect the reconciliation process on client side.
Polish banks' association	Should be incorporated into the scheme - option b
Slovak banking association	We do NOT support the usage of "Reason not specified" Return-code. Reason is strongly needed in the compliance process (Creditor-Debtor communication)
CaixaBank Spain	We consider that there is no need to introduce new reason codes. On what it refers to request 1, our opinion is that they do not provide with additional info, and that a good use of EPC173-04 is enough to deal with eventual issues that may occur. We have not noticed a significant number of MS03 errors. When it comes to request 2, we think that further clarifications, which could even be misused, may result on adding unnecessary difficulties to deal with arising issues. As a far as we can transfer the narrative we do not foresee a substantial improve on implementing what requested.
Austrian Federal Economic Chamber, Division Bank and Insurance	We don't support this reqest.
CLUB SEPA _ France	harmonization between clearing layer and settlement layer is necessary even for r-transaction codes.
REWE Group	Error-messages need to be substantial. Reasons like MS03 or "other" are not helpful and should be prevented as much as possible.
EQUENS SE	Should be incorporated into the scheme - option b

Contributor	Comments received
BITKOM	Option b, we support this CR for first suggestion, i.e. explicit reason codes CNOR,DNOR, DT01 and ED05.
Lithuanian Central Bank	We support either suggestion with small favour for the first one. And request option b for this change request.

4.5.4. SMB decision

Not to be included in the 2017 SCT Rulebook.

4.6. # 14: Assign clear responsibilities to scheme participants and CSMs for executing those SEPA Usage Rules defined in the interbank Implementation Guidelines

4.6.1. Description

This change request was made by Equens.

The EPC Rulebooks currently define SEPA Usage Rules but not the responsibilities for executing these. All too often there is lack of clarity if a certain check/validation has to be done, can be done or must not be done by a participant that is not the Creditor Agent or Debtor Agent. The contributor provides a number of examples to highlight the current situation.

The contributor states that it must be clear to all the parties involved in the processing chain who is responsible for which validation. EPC should define the responsibilities in general or for each SEPA Usage Rule in the Implementation Guidelines.

The in-depth checks and validation should be performed exclusively by the bank of the end users. The other involved interbank players should only reject a payment if it is not possible to forward (e.g. format validations fail, BIC is not reachable).

4.6.2. SEMWG analysis and recommendation for the public consultation

The SEMWG recommends not taking forward the change request (**option e**).

A discussion should first be held between the EPC and the SEPA scheme-compliant clearing and settlement mechanisms (CSMs) before further responsibilities can be assigned to CSMs through the Rulebook.

4.6.3. SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal

A majority of EPC scheme participants (via national banking communities or via individual comments) do not wish to take up this change request in the scheme. However, it is noted that a number of the other contributors do support the change request.

In consideration of the overall comments received, the SEMWG proposes not to include this change request in the 2017 SCT Rulebook version 1.0.

The SEMWG suggests that a discussion should first be held between the EPC and the SEPA scheme-compliant clearing and settlement mechanisms (CSMs) before further responsibilities can be assigned to CSMs through the rulebook. Such discussion can be held within the ESTF.

Explicit public consultation comments received

Contributor	Comments received
Bank association of Slovenia	NO We agree with the change request made by Equens. Clear responsibilities of all scheme participants should be written, especially responsibilities of CSMs.

Contributor	Comments received
Fédération bancaire française	YES Scheme participants must remain free to implement their own in-depth checks according to their own rules. The location of the PSP (as sending or receiving bank) in the processing chain shouldn't be a general criteria to do so.
Portuguese banking community	YES A common validation should be addressed at CSMs level
BNP Paribas	Yes BNPP is in favour of a strict respect of the scheme rules. Responsibilities concerning respect of the lifecycle should be clarified, especially in order to avoid R-transactions acceptance out of timeframe. But prior discussion should take place in order to find all responsibilities. The outcome of the discussion could be part of the next discussion round
Payments UK	YES We would encourage the EPC to reach out to the CSMs.
CaixaBank Spain	YES There must be a previous discussion between EPC and CSMs. SEPA defines rules of use, but no responsibilities over checking. At the end, depending on the acting - stop or move forward - of CSM when treating an op (i.e.pac.003 with correction indicators in 'true', but without corrections) they will receive a claim from one part or another.
REWE Group	NO As usage rules have been defined, there should be no need for any further discussions.
EQUENS SE	NO Although Equens understands the reason for the SEMWG recommendation we still are convinced that the topic must be followed up by EPC.

Equens considers that not only CSM must be involved in the further discussions but also any payment service provider (direct participant) providing services to indirect participants. |
| Lithuanian Central Bank | NO   We support the proposed change request and request option b for this change request. |

4.6.4. SMB decision

Not to be included in the 2017 SCT Rulebook.

4.7. # 17: The introduction of LEI in the EPC SEPA schemes

4.7.1. Description

This change request was made by Club SEPA France.

The contributor questions the functional and organizational impact of an introduction of the Legal Entity Identifier (LEI) in the SEPA schemes.

4.7.2. SEMWG analysis and recommendation for the public consultation

The SEMWG does not consider this item as a formal change request.

The SEMWG recommends not introducing the LEI in the next version of the SCT and the SDD Rulebooks (**option e**).

The Euro Retail Payments Board (ERPB) meeting on 1 December 2014 agreed on the recommendation for the EPC (supported by the ECB and standardisation authorities) to look for more appropriate attributes in a long term perspective (e.g., LEI as a unique entity identifier) to identify especially a SDD creditor (reference is made to the recommendation ERPB/2014/rec13).

The EPC has made a first internal analysis about the potential added value of the LEI in the SDD and the SCT schemes.

The EPC currently considers that it is too soon to include an attribute for the LEI in the EPC rulebooks. The number of LEIs currently issued to SDD creditors is very low compared to the current number of SDD creditors. Once the LEI is broadly used by corporate legal entities, the EPC is of the opinion that the SDD rulebooks (and maybe even the SCT rulebook) could be adapted to foresee the use of the LEI.

In the third quarter of 2015, the EPC Scheme End-User Forum (SEUF) and the EPC Scheme Technical Forum (ESTF) had been consulted for their positions on the LEI. The following main comments were made:

- The LEI might not be the right code but a fiscal code or VAT code could be a reliable alternative.

- The number of LEIs currently issued to creditors is very low compared to the current number of creditors.

- The LEI cannot replace the SDD Creditor Identifier as the LEI cannot be assigned to private creditors.

- The attribute of the LEI is not foreseen in the ISO 20022 XML message versions used for SCT and SDD transactions. An adaptation via a new version of these ISO 20022 XML message versions would be needed.

The approved minutes of the two EPC Stakeholder Forum meetings are available on the SEUF and the ESTF webpages.

The EPC will review the issue in 2017 on the basis of the latest LEI developments.

4.7.3. SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal

The vast majority of EPC scheme participants (via national banking communities or via individual comments) and other contributors to the 2016 public consultation supported the SEMWG recommendation that this change request cannot be part of the scheme.

Therefore, the SEMWG proposes not to include this change request in the 2017 SCT Rulebook version 1.0.

Explicit public consultation comments received

Contributor	Comments received
BNP Paribas	Yes The principle of a central European creditor identifier referential would have been suitable. But in the today context, local creditor Ids is sufficient. Usage of LEIs have practical issues and could difficulty be implemented.
Danish bankers association	YES As a general comment, we do not believe the LEI has matured sufficiently to consider it yet.
Nordea Bank	YES The LEI in un-mature at this present stage. We will support it if it could fully replace our current customer identification and cover all customer segments.
CaixaBank Spain	YES There's a lack of critical mass on the companies using LEI. Besides, LEI does not apply to private individuals as it is currently defined. At the same time, we agree that on a certain time to come the introduction of a well-defined unique LEI will probably be of use. Thus we support SEM's position to move this discussion to any time in the future.
Austrian Federal Economic Chamber, Division Bank and Insurance	YES There is no need from our point of view to have the LEI in addition to the CID.
Italian Association of Corporate Treasurers	YES LEI seams inappropriate for the purpose. We suggest to further investigate the usage of VAT or Fiscal Codes to identify commercial entities
Verband Deutscher Treasurer e.V.	YES We request to further investigate the usage of VAT or Fiscal Codes to identify commercial entities; LEI seams inappropriate to cover all companies involved.

4.7.4. SMB decision

Not to be included in the 2017 SCT Rulebook.

4.8. # 18: Request for clarification on the version of the ISO pain messages in the Rulebooks

4.8.1. Description

This change request was made by Club SEPA France.

The contributor questions whether the mentioning of the pain message version in the Customer-to-Bank (C2B) Implementation Guidelines means that this version is mandatory.

The contributor suggests deleting any reference to the number of version attached to the pain message because it can cause confusion and sometimes there can also be a technical gap. It would prevent the PSP to offer formats based on the latest formats because some stakeholders assume that only the version listed in the C2B Implementation Guidelines is applicable.

The change request illustrates with some examples the issue.

4.8.2. SEMWG analysis and recommendation for the public consultation

The SEMWG does not consider this item as a formal change request.

The SEMWG recommends not taking forward the change request (**option e**).

The C2B IGs are based on the 2009 version of the ISO 20022 XML pain format as indicated on the first page of the IGs (see 'abstract') and in the introduction section. This gives scheme participants and the originators **a basis** to adapt their processing systems and ERP systems to process payment files according to the rulebook. The scheme participants are however free to support more recent versions.

It is proposed that as of 2017 (see the change request # 8 in section 4.2 of this document), each scheme participant has to accept at least the version of ISO20022 XML pain format mentioned of the C2B IGs. The scheme participants are free to support more recent versions.

Furthermore, there is indeed a gap with the latest ISO version but this does not impact the current EPC IGs as these are based on the 2009 version of ISO 20022.

4.8.3. SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal

The vast majority of EPC scheme participants (via national banking communities or via individual comments) and other contributors to the 2016 public consultation supported the SEMWG recommendation that this change request cannot be part of the scheme.

Therefore, the SEMWG proposes not to include this change request in the 2017 SCT Rulebook version 1.0.

Explicit public consultation comments received

Contributor	Comments received
BNP Paribas	YES Customer-to-bank guidelines are known as recommended but not mandatory. We support the version pain.001.001.03 usage as the best practice for SCT initiation.
Payments UK	YES We support clearer definition in principle and are not immediately clear why this is considered not to be part of the scheme.
CaixaBank Spain	YES Despite there is certainly a gap between 2009' version of xml20022 and latest one, there's no possible confusion when IG specify that they are based on 2009 format. If rulebook defines as mandatory accepting SCT-compliant file, as per proposal 8, all eventual lack of clarity will be avoided.
CLUB SEPA _ France	NO by mentioning an ISO version dated 2009, EPC encourages fragmentation of SEPA messages; We could expect that EPC limits at least the timeframe of ISO version taken into account; presently 2009-2017 appears a too longer period without alignment with the latest version.

4.8.4. SMB decision

Not to be included in the 2017 SCT Rulebook.

4.9. # 19: Clarification in business requirements for AT-05 for structured remittance info

4.9.1. Description

This change request was made by the European Association of Corporate Treasurers (EACT).

The contributor demands for clarification in the business requirements for the attribute AT-05 - The Remittance Information sent by the Originator to the Beneficiary in the Credit Transfer – when **structured** remittance information is used.

The first change request is that structured remittance information should be redefined in the rulebook as "Structured Machine to Machine Remittance Information".

The rulebook business requirements and implementation guidelines should have a specific mention to the automatic treatment of this information. They should also indicate that such information should be mandatorily transferred to the beneficiary only when electronic means in the beneficiary bank-to- customer space are used, such as in electronic statements of account or other electronic formats using the data set DS-04 - Bank to customer credit transfer information (optional in other cases).

The presence of the "Structured Machine to Machine Remittance Information" remittance information in paper statement of account should be then optional for the beneficiary bank.

The second change request is to evaluate the possibility to have a specific new attribute code for the "Structured Machine to Machine Remittance Information".

Considering the opportunity to use the available ISO 20022 standard for end to end straight-through-processing reconciliation, the contributor accepts that the beneficiary bank may drop the received "Structured Machine to Machine Remittance Information" and not make it available to a beneficiary who is connected with an interface which does not comply with the ISO 20022 XML standard.

4.9.2. SEMWG analysis and recommendation for the public consultation

The SEMWG does not propose a concrete recommendation for this change request for the public consultation.

The SEMWG looks forward to the comments from the stakeholders taking part in the public consultation.

4.9.3. SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal

A majority of EPC scheme participants (via national banking communities or via individual comments) do not wish to take up this change request in the scheme. Apart of the support from the corporate treasurers' sector, there is a number of other contributors expressing no support to this change request.

In consideration of the overall comments received, the SEMWG proposes not to include this change request in the 2017 SCT Rulebook version 1.0.

Explicit public consultation comments received

Contributor	Comments received
Stuzza Austria	We don't support this request.
Czech Banking Association	No, not required.
Spanish banking community	Cannot be part of the exsiting scheme - option e. It is not necessary. The Spanish Community does not support this proposal.
Finnish banking community	No need for a change.
Dutch Payments Association	DPA strongly objects against adding a specific new attribute code in AT-05 for the structured remittance information. Clarification in business requirements for structured remittance information is acceptable, but we see no reason for the addition of a new attribute code in AT-05
Bank association of Slovenia	We do not support change request.
German Banking Industry Committee (GBIC) and Deutsche Bundesbank	GBIC does not support this CR as it could be in conflict with PSD requirements.
Fédération bancaire française	NO. The structured remittance information is not currently used in France. However, in case an originator wants to provide it, the EACT suggestion can be seen as a safe-guard allowing receiving bank not to be obliged to forward to the beneficiary the information via paper statement account.
Portuguese banking community	The PT Community does not support this proposal from EACT.
BNP Paribas	Option e) The change request cannot be part of the existing scheme. We do not see the need for more guidance on the structured remittance information. However, if not clear to all scheme participants, it should be precised that the remittance information is part of the mandatory information to be provided end-to-end.
Citibank	No Opinion
Danish bankers association	We do not support this proposal. We would support, however, that the SEMWG work further on the requirements if that is deemed necessary.

Contributor	Comments received
Banking & Payments Federation Ireland	We do not see a need to provide clarification on business requirements for structured remittance info. Existing rules are clear.
Luxembourg bankers' association	We do not support this CR because of no real added value.
Nordea Bank	We cannot support the proposal in its current wording and it needs further discussion and understanding in order achieve the economic benefits for the parties involved. Therefore the SEM WG could discuss this further.
Payments UK	(No opinion provided)
Polish banks' association	option e: cannot be part of the scheme
Slovak banking association	(No opinion provided)
CaixaBank Spain	We have perceived demand from customers on this regards, in order to facilitate their cash management, by means of simplifying conciliation. It would also beneficiate banks in lines of business such as factoring, as it simplifies identification of factorized invoices. We are aware that it may imply high implementation costs.
Austrian Federal Economic Chamber, Division Bank and Insurance	We don't support this request.
EQUENS SE	Cannot be part of the existing scheme – option e
Italian Association of Corporate Treasurers	We support the change request. Gives better clarification when structured remittance information (machine to machine) are used. Allows different treatment of structured and unstructured information by PSP in the whole chain, and in particulare in the PSP to Corporate reporting.
BITKOM	Option b, we support this CR. A larger remittance information is needed, especially with structured data. The renaming emphasizes the machine-2-machine nature of the structured part.

Contributor	Comments received
	The important part of this CR is: ""The presence of the "Structured Machine to Machine Remittance Information" remittance information in paper statement of account should be then optional for the beneficiary bank."" The rest is useful but not a ""must"". Please note, we see this CR only useful if it is agreed in the block #19, #20, #21, #22.
European Association of Corporate Treasurers	We support the change request. Gives better clarification when structured remittance information (machine to machine) are used. Allows different treatment of structured and unstructured information
Verband Deutscher Treasurer e.V.	We support the change request. Gives better clarification when structured remittance information (machine to machine) is used.

4.9.4. SMB decision

Not to be included in the 2017 SCT Rulebook.
In 2017, the EPC will collect the concrete needs from different payment end-user groups and analyse the impact of possible solutions for scheme participants and for the different payment end-user groups.

4.10. # 20: Allow contemporaneous presence of Unstructured and Structured remittance info in payment messages

4.10.1. Description

This change request was made by the European Association of Corporate Treasurers (EACT).

It proposes to allow contemporaneous presence of unstructured and structured remittance information in payment messages from the originator to the beneficiary.

Currently, the business requirements in the Rulebook for Attribute AT-05 - The Remittance Information sent by the Originator to the Beneficiary in the Credit Transfer - and Implementation Guidelines indicate that either 'Structured' or 'Unstructured' remittance information may be present.

Originators should then be able to insert and banks to transfer to beneficiaries human readable information in the "Unstructured" remittance information and, when required or useful, structured remittance information using the ISO 11649 standard for automatic straight through processing reconciliation.

4.10.2. SEMWG analysis and recommendation for the public consultation

The SEMWG recommends not taking forward the change request (**option e**).

The vast majority of SEMWG members representing national banking communities reported that currently there is no market demand for a combination for both structured and unstructured remittance information.

The implementation of the combination of structured and unstructured remittance information in the applications of all payment service users and scheme participants is expected to be high.

4.10.3. SEMWG change proposal and explicit public consultation comments received

<u>SEMWG change proposal</u>

The vast majority of EPC scheme participants (via national banking communities or via individual comments) to the 2016 public consultation supported the SEMWG recommendation that this change request cannot be part of the scheme. There is no exhaustive support to this change request among the other contributors.

The EPC collected further information about an Additional Optional Service (AOS) used in one national community allowing the contemporaneous presence of Unstructured and Structured remittance info in payment messages:

In this AOS, the Originator sends to the Originator Bank one occurrence of 140 characters unstructured information and up to 999 occurrences of structured information (creditor references).

The Originator Bank transfers further only the structured information to the Beneficiary Bank if it supports the AOS or only the 140 characters of unstructured information, if the Beneficiary Bank does not support the AOS. So the Beneficiary receives the remittance information either in structured or unstructured format.

If the Beneficiary had received both the structured and unstructured information, the Beneficiary would ignore the unstructured information, as the reconciliation

process with structured information is totally automatic, or in worse scenario, the unstructured information would prevent the automatic handling of the payment.

In consideration of the overall comments received, the SEMWG proposes not to include this change request in the 2017 SCT Rulebook version 1.0.

Explicit public consultation comments received

Contributor	Comments received
Dutch Payments Association	YES DPA supports recommendation of EPC and we emphasize our opposition against this change request because of the high implementation impact.
Danish bankers association	YES As a general comment, the quest to include more remittance information in the payment message could be never ending. We thus support the proposal to make additional storage space available outside the payment message, see item 37.
Nordea Bank	YES Not supported, See item 37 instead.
Slovak banking association	NO We do NOT support the combination for both structured and unstructured RI due to high implementation costs. 140 characters for RI should be enough.
CaixaBank Spain	NO Same reasons as item 19.
Austrian Federal Economic Chamber, Division Bank and Insurance	YES We don' t see a demand and the consequence of the implementation is a huge effort for all involved parties.
CLUB SEPA _ France	YES given that EPC maintains the version 2009 as benchmark for format, it is necessary to allow creditors to fulfil several fields to forward different information through structured and unstructured information.

Contributor	Comments received
Italian Association of Corporate Treasurers	NO The structured and unstructured remittance information have same purpose of allowing to correctly book the received amount in the accounting system of the beneficiary but are used differently by the beneficiary. The first is essential for Straight Through Processing of remittance information. There are no technical or cost concerns since there is already a Finnish AOS where these info could be both present. Originators should be allowed to insert and PSPs to transfer to beneficiaries human readable information in the "Unstructured" remittance information as well the EACT standard for remittance information and, when they desire or find useful, structured remittance information using the ISO 11649 standard for automatic straight through processing reconciliation in the "Structured " remittance information
BITKOM	NO Option b, we support this CR. Please note, we see this CR only useful if it is agreed in the block #19, #20, #21, #22.
European Association of Corporate Treasurers	NO The structured and unstructured remittance information have same purpose but are used differently. The first is essential for Straight Through Processing of remittance information. There is already a Finnish AOS where these info could be both present. Originators should be allowed to insert and PSPs to transfer to beneficiaries human readable information in the "Unstructured" remittance information and, when required or useful, structured remittance information using the ISO 11649 standard for automatic straight through processing reconciliation in the "Structured " remittance information.

Contributor	Comments received
Verband Deutscher Treasurer e.V.	NO The structured and unstructured remittance information have same purpose of allowing to correctly book the received amount in the accounting system of the beneficiary but are used differently by the beneficiary The first is essential for Straight Through Processing of remittance information. There are no technical or cost concerns since there is already a Finnish AOS where these info could be both present. Originators should be allowed to insert and PSPs to transfer to beneficiaries human readable information in the "Unstructured" remittance information as well the EACT standard for remittance information and, when they desire or find useful, structured remittance information using the ISO 11649 standard for automatic straight through processing reconciliation in the "Structured " remittance information
Lithuanian Central Bank	NO This change request can be considered as an additional optional service (AOS) - option D

4.10.4.   SMB decision

Not to be included in the 2017 SCT Rulebook.
In 2017, the EPC will collect the concrete needs from different payment end-user groups and analyse the impact of possible solutions for scheme participants and for the different payment end-user groups.

4.11. # 21: Increase space in the payment messages for the Unstructured remittance info

4.11.1. Description

This change request was made by the European Association of Corporate Treasurers (EACT).

The business requirements in the Rulebook for Attribute AT-05 - The Remittance Information sent by the Originator to the Beneficiary in the Credit Transfer – and in the Implementation Guidelines currently indicate a maximum of 140 characters for unstructured Remittance Information (one only repetition of the xml ISO tag "Ustrd").

The change request is to extend the space to 280 characters (two recurrences of the xml ISO tag "Ustrd").

The increased space will allow originators, especially consumers normally not using the "Structured" remittance information, to insert more information for the beneficiary to identify the items paid and increasing the possibility of reconciliation of the payment.

4.11.2. SEMWG analysis and recommendation for the public consultation

The SEMWG recommends not taking forward the change request (**option e**).

The vast majority of SEMWG members representing national banking communities reported that currently there is no market demand to increase the number of characters for unstructured remittance information.

The implementation of the extension of characters for unstructured remittance information in the applications of all payment service users and scheme participants is expected to be high.

4.11.3. SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal

The vast majority of EPC scheme participants (via national banking communities or via individual comments) to the 2016 public consultation supported the SEMWG recommendation that this change request cannot be part of the scheme. There is a majority among the other contributors expressing their support to this change request.

The SEMWG highlights that the maximum number of 140 characters for remittance information is in force since January 2008. The 2016 public consultation does not highlight that a wide variety of other business sectors and consumers share a similar need for a higher maximum number of characters for remittance information. The SEMWG assumes that other solutions outside the payment processing may be already there to support the additional information needs for specific sectors.

In consideration of the overall comments received, the SEMWG proposes not to include this change request in the 2017 SCT Rulebook version 1.0.

Explicit public consultation comments received

Contributor	Comments received
Stuzza Austria	YES We don' t see a demand and the consequence of the implementation is a huge effort for all involved parties.
Dutch Payments Association	YES DPA supports recommendation of EPC and we emphasize our opposition against this change request because of the high implementation impact.
BNP Paribas	Yes BNPP is in favor of an extented remittance infromation out of the payment flow (via dedicated external server)
Danish bankers association	YES As in item 20
Nordea Bank	YES As in item 20
Payments UK	YES The request for an extension from the corporate side exists since the start of SEPA. Instead of using other mechanism (as described in CR 37) the community should use the ISO abilities to have one standard for all participants. Using the extended version of ISO will be a driver for using camt.053 instead of old MT formats. Perhaps can be supported by ERI AOS.We would prefer to support the increase in the amount of remittance information by use of Cloud based solutions.
CaixaBank Spain	NO Same reasons as item 19.
Austrian Federal Economic Chamber, Division Bank and Insurance	YES We don' t see a demand and the consequence of the implementation is a huge effort for all involved parties.
REWE Group	NO At every consultant period this IS requested by the MARKET - just review the past years. 140 characters are way too few and need to be upped. And stating HERE that the market doesn't need more than 140 characters while stating at item 37 the opposite shows the SEMWG assessment to be incorrect.
Italian Association of Corporate Treasurers	NO The actual limit of 140 chr is very limited to transfer basic unstructured remittance information to the beneficiary. Unstructured remittance information are mostly used by consumers, willing to communicate the details of their payments.
BITKOM	NO Option b, we support this CR.

Contributor	Comments received
	Please note, we see this CR only useful if it is agreed in the block #19, #20, #21, #22.
European Association of Corporate Treasurers	NO The actual limit of 140 chr is very limited to transfer basic unstructured remittance information to the beneficiary. Unstructured remittance information are mostly used by consumers, willing to communicate the details of their payments.
Verband Deutscher Treasurer e.V.	NO The actual limit of 140 chr is very limited to transfer basic unstructured remittance information to the beneficiary. Unstructured remittance information are mostly used by consumers, willing to communicate the details of their payments.
Lithuanian Central Bank	NO We support this change request and propose option B. In Lithuania until the end of last year we used to have 300 characters for non SEPA unstructured information.

4.11.4.   SMB decision

Not to be included in the 2017 SCT Rulebook.
In 2017, the EPC will collect the concrete needs from different payment end-user groups and analyse the impact of possible solutions for scheme participants and for the different payment end-user groups.

4.12. # 22: Increase space in the payment messages for the structured remittance info

4.12.1. Description

This change request was made by the European Association of Corporate Treasurers (EACT).

The business requirements in the Rulebook for Attribute AT-05 - The Remittance Information sent by the Originator to the Beneficiary in the Credit Transfer – and in the Implementation Guidelines currently indicate a maximum of 140 characters for structured Remittance Information (one only repetition of the xml ISO tag "Strd").

The current space available allows the transfer of remittance information based on the ISO 11649 standard concerning only one single item that such a payment is intended to settle.

This is generally fine for Consumer-to-Business payments but absolutely not enough in the B2B context, where the originator normally bundles in a single payment multiple invoices and often pays the net amount of invoices and credit notes.

Reminding that the ISO standard has no limitations in the repetition of the xml "Strd" tag, the change request is to extend the space for "Structured" remittance information at least to **2.800** characters (twenty recurrences of the xml ISO tag "Strd").

4.12.2. SEMWG analysis and recommendation for the public consultation

The SEMWG recommends not taking forward the change request (**option e**).

The vast majority of SEMWG members representing national banking communities reported that currently there is no market demand to increase the number of characters for structured remittance information.

The implementation of the extension of characters for structured remittance information in the applications of all payment service users and scheme participants is expected to be high.

4.12.3. SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal

The vast majority of EPC scheme participants (via national banking communities or via individual comments) to the 2016 public consultation supported the SEMWG recommendation that this change request cannot be part of the scheme. There is a number of other contributors expressing their support to this change request.

The SEMWG highlights that the maximum number of 140 characters for remittance information is in force since January 2008. The 2016 public consultation does not highlight that a wide variety of other business sectors and consumers share a similar need for a higher maximum number of characters for remittance information. The SEMWG assumes that other solutions outside the payment processing may be already there to support the additional information needs for specific sectors.

In consideration of the overall comments received, the SEMWG proposes not to include this change request in the 2017 SCT Rulebook version 1.0.

Explicit public consultation comments received

Contributor	Comments received
Stuzza Austria	YES We don' t see a demand and the consequence of the implementation is a huge effort for all involved parties.
Dutch Payments Association	YES DPA supports recommendation of EPC and we emphasize our opposition against this change request because of the high implementation impact.
BNP Paribas	Yes In favor for an extented remittance information out of the payment flow (as defined in the item 37)
Danish bankers association	YES As in item 20
Nordea Bank	YES As in item 20
CaixaBank Spain	NO Same reasons as item 19.
Austrian Federal Economic Chamber, Division Bank and Insurance	YES We don' t see a demand and the consequence of the implementation is a huge effort for all involved parties.
CLUB SEPA _ France	NO a larger space dedicated to remittance information could be useful to forward complement of information about commercial aspects or AML or ATC actions, especially in a B2B context. But we can read that the proposed size for remittance information is changing in each new version of change request (2015 : 1000 characters, 2016 : 1400 characters, 2017 : 2800 characters... what's next?)
Italian Association of Corporate Treasurers	NO There is already a Finnish AOS in place where space has been extended (999 repetition of the 140chr field). The space should be sufficient to transfer simple structured information regarding the documents (e.g. invoices /credit notes) included in the payment. We remind that the ISO standard has been defined with no limitation. The request for further space has been recognized by ERPB as a post SEPA migration issue.
BITKOM	NO Option b, we support this CR. Please note, we see this CR only useful if it is agreed in the block #19, #20, #21, #22.

Contributor	Comments received
European Association of Corporate Treasurers	NO There is already a Finnish AOS in place where space has been extended (999 repetition of the 140chr field). The space should be sufficient to transfer information regarding the documents (e.g. invoices /credit notes) included in the payment. We remind that the ISO standard has no limitation.
Verband Deutscher Treasurer e.V.	NO The space should be sufficient to transfer simple structured information regarding the documents (e.g. invoices /credit notes) included in the payment. The ISO standard has been defined with no limitation. The request for further space has been recognized by ERPB as a post SEPA migration issue.

4.12.4.   SMB decision

Not to be included in the 2017 SCT Rulebook.
In 2017, the EPC will collect the concrete needs from different payment end-user groups and analyse the impact of possible solutions for scheme participants and for the different payment end-user groups.

4.13. # 23: Forward to the beneficiary the IBAN and address of the originator

4.13.1. Description

This change request was made by the European Association of Corporate Treasurers (EACT).

The IBAN and the address of the originator, if present in the payment message and if allowed by originator's domestic legislations, should be forwarded to the beneficiary, since these are useful information to identify the originator.

Currently, the dataset DS-04 - The bank to customer credit transfer information - does not include among the attributes to be transferred to the beneficiary the following attributes:

- AT-03 The address of the Originator (if present in DS-02)

- AT-01 The IBAN of the account of the Originator

The change request is to insert in DS-04 the attributes AT-03 (if present in DS-02) and AT-01 as optional attributes, if the transfer of such attributes to beneficiary is possible according with the domestic legal situation in each community and consequently defining these fields as optional in the beneficiary bank-to-beneficiary space.

4.13.2. SEMWG analysis and recommendation for the public consultation

The Beneficiary Bank has to comply only with its own national legislation. As a consequence, the SEMWG suggests incorporating the change request into the Scheme (**option b**) with both fields as optional attributes.

The EPC document Recommendation on Customer Reporting SCT and SDD (EPC188-09 v2.0) already mentions these attributes.

4.13.3. SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal

The majority of EPC scheme participants (via national banking communities or via individual comments) and other contributors to the 2016 public consultation supported the SEMWG recommendation that this change request can be part of the scheme.

However, a number of contributors addressed national data protection concerns when sharing the concerned attributes with the Beneficiary via the Beneficiary Bank located in a SEPA country different than the country of the Originator Bank.

The SEMWG realises that there is a lack of a harmonised level playing field in the legislation of national data protection among the SEPA countries which do not support a unique implementation of the change request. There is furthermore no guarantee that the Beneficiary Bank is able to comply with the national data protection legislation to be respected by the Originator Bank. Including this change request would create fragmentation in the delivery of bank-to-customer credit transfer information among the SEPA countries.

Therefore, the SEMWG proposes not to include this change request in the 2017 SCT Rulebook version 1.0.

Explicit public consultation comments received

Contributor	Comments received
Spanish banking community	NO Cannot be part of the existing scheme - option e. This information is not needed on the beneficiary's side and it would create complexity to PSPs as well as in certain cases data protection concerns.
Finnish banking community	No The cost vs. benefit of the implementation in B2C space would be substantial. The originator may not want this information to be forwarded to the beneficiary.
Dutch Payments Association	YES DPA supports recommendation of EPC and we emphasize that originator banks, as well as beneficiary banks, have to comply with their own national legislation.
German Banking Industry Committee (GBIC) and Deutsche Bundesbank	NO Should not be incorporated into the Scheme.
Fédération bancaire française	NO As the IBAN of the Originator is always present in the attribute DS-01, it won't be possible for the Originator's Bank and especially regarding cross-border transactions, to be sure the IBAN has not been forwarded according to its own domestic legislation.
Portuguese banking community	YES This should mandatory once implemented.
BNP Paribas	Yes We agree as far as this remains optional (to cope with the different local laws)
Luxembourg bankers' association	YES We understand that there is no obligation to do so, even if not prohibited by the national legislation.
Payments UK	YES The fields should be passed on to the beneficiary PSP when supplied by the Originator or Originator's PSP. If national legislation permits, then all PSPs in the jurisdiction should be forced to supply the information to the beneficiary (ie it should not be up to each PSP to decide whether to pass it on).
CaixaBank Spain	YES Useful for different issues, being Compliance one of the most important.
CLUB SEPA _ France	NO question: has the possibility to forward the IBAN to the beneficiary been verified on a legal basis?

Contributor	Comments received
REWE Group	NO knowing the senders IBAN is a necessity, also needed to return money if necessary. The address on the other hand should never be forwarded - not to mention that this falls under the privacy protection laws.

4.13.4.   SMB decision

Not to be included in the 2017 SCT Rulebook.

There is no guarantee that the Beneficiary Bank is able to comply with the national data protection legislation to be respected by the Originator Bank. It would create fragmentation in the delivery of bank-to-customer credit transfer information among the SEPA countries.

4.14. # 24: Additional clarification on the content (with examples) to be inserted in AT-09, AT-10, AT-24 and AT-29

4.14.1. Description

This change request was made by the European Association of Corporate Treasurers (EACT).

It is suggested to add further clarification to the content and to insert information examples in the description of the attributes AT-09, AT-10 AT-24 and AT-29. They are used to identify counterparties involved in the payment.

- AT-09 The identification code of the Originator Reference Party
- AT-10 The Originator identification code
- AT-24 The Beneficiary identification code
- AT-29 The identification code of the Beneficiary Reference Party

These attributes refer to elements of the ISO 20022 standard designed to transfer information (codes) useful for the automatic and straight-through-processing identification of the counterparties involved in the payment.

In order to be effective, the codes inserted by the originator in the attributes should allow an unique and unambiguous way of identifying an organisation or an individual person.

The concrete change request is to add in the Rulebook the description of the above attributes, their purpose and examples of codes that could be inserted by the originator in the payment initiation message.

For Attributes AT-09 and AT-10:

"The codes inserted in the attribute should allow a unique and unambiguous way of identifying an organisation or an individual person.

Examples of codes that, among others, could be inserted are Fiscal Code, VAT Code, Enterprise Registration Number, Business Identity Code, Organization Code, Trade Register Number, Business Register Number, National Tax ID, Customer Code."

For attributes AT-24 and AT-29:

"The codes inserted in the attribute should allow a unique and unambiguous way of identifying an organisation or an individual person.

Examples of codes that, among others, could be inserted are Fiscal Code, VAT Code, Enterprise Registration Number, Business Identity Code, Organization Code, Trade Register Number, Business Register Number, National Tax ID, Supplier Code."

4.14.2. SEMWG analysis and recommendation for the public consultation

The SEMWG recommends not taking forward the change request (**option e**).

It considers that the EPC SCT-SDD Clarification Paper (EPC348-12) is more appropriate to include such information. Together with the publication of the 2017 version of the Rulebook in the course of November 2016, the EPC will publish a new version of the document EPC348-12 including the clarifications and examples proposed by this change request.

4.14.3. SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal

The vast majority of EPC scheme participants (via national banking communities or via individual comments) and other contributors to the 2016 public consultation supported the SEMWG recommendation that this change request cannot be part of the scheme.

Therefore, the SEMWG proposes not to include this change request in the 2017 SCT Rulebook version 1.0. The SEMWG instead proposes to take up the description of the concerned attributes, their purpose and examples of codes in the EPC SCT-SDD Clarification Paper (EPC348-12).

Explicit public consultation comments received

Contributor	Comments received
BNP Paribas	Yes This information is linked to the local practices, therefore we support the position of the SEMWG to set this information in the clarification paper, outside the rulebook
Payments UK	YES It may be more beneficial for this information to be included in the Rulebook. Adding clarification papers is useful for interim updates, however, an additional document can easily be overlooked.
CaixaBank Spain	NO Clarification is already provided on EPC348-12, thus no need to incorporate

4.14.4. SMB decision

Not to be included in the 2017 SCT Rulebook.

4.15. # 29: Amendment to the SCT Return procedure allowing the Beneficiary Bank to return the funds when requested by the Beneficiary within ten days after settlement

4.15.1.   Description

This change request was made by the Spanish banking community.

With respect to the return procedure, the current version of the SCT Rulebook states that a 'Return' occurs when a credit transfer is diverted from normal execution after interbank Settlement, and is sent by the Beneficiary Bank to the Originator Bank for a credit transfer that cannot be executed for valid reasons, with the consequence that the Beneficiary account cannot be credited on the basis of the information contained in the original credit transfer message.

SCT Rulebook also states that the Return procedure must not be used in cases where the Beneficiary's account has already been credited and the Beneficiary wishes to return the funds. Instead, the procedure of initiating a new Credit Transfer applies.

The contributor proposes to allow the Beneficiary Bank to use the Return procedure stated in the Rulebook when the return of funds is requested by the Beneficiary customer and within ten days after settlement, with no need to initiate a new Credit Transfer by the Beneficiary Bank.

4.15.2.   SEMWG analysis and recommendation for the public consultation

The SEMWG recommends not taking forward the change request (**option e**). The acceptance of this change request would lead to two distinct timelines when using the SCT return.

4.15.3.   SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal

The vast majority of EPC scheme participants (via national banking communities or via individual comments) and other contributors to the 2016 public consultation supported the SEMWG recommendation that this change request cannot be part of the scheme.

Therefore, the SEMWG proposes not to include this change request in the 2017 SCT Rulebook version 1.0.

Explicit public consultation comments received

Contributor	Comments received
Spanish banking community	NO Should be incorporated into the scheme - option b. The Spanish Community proposed this item and still supports the idea.
BNP Paribas	Yes The beneficiary keeps the possibility to initiate a SCT back to the originator. The investment on bank side to propose a return service doesn't justify the case.

Contributor	Comments received
Payments UK	YES Instead of a new process, the existing RECALL process could be extended to four return reasons.
CaixaBank Spain	NO It should be included on the rulebook, as we understand that should be the case for SCTinst (and have requested so on our comments to SCTinst rulebook's public consultation). Consistency on what possible between both rulebooks is needed.

4.15.4. SMB decision

Not to be included in the 2017 SCT Rulebook.

4.16. # 32: Amendment to Chapter '1.4 Character Set' of the Customer-to-Bank and Inter-Bank IGs

4.16.1.   Description

This change request was made by the German Banking Industry Committee (GBIC).

The contributor proposes to amend the chapter "1.4 Character Set" of the Customer-to-Bank and Inter-Bank Implementation Guidelines of all three SEPA Scheme Rulebooks to reflect the recommended best practice as outlined in Section 5 of the document EPC 217-08 "SEPA Requirements for an Extended Character Set (UNICODE Subset) Best Practices" in general and the 4 principles mentioned in this section in particular.

This would increase the acceptance of SEPA payments by supporting the use of national characters similar to national practices.

This will extend the current limited SEPA character set in the pacs messages to the UTF-8 character set in order that special national characters can be transported from the instruction ordering party up to the Beneficiary Bank. The Beneficiary Bank should then decide if it passes further the UTF-8 character to its customers or it converts the contents of the pacs message to the limited SEPA character set.

4.16.2.   SEMWG analysis and recommendation for the public consultation

The SEMWG recommends not taking forward the change request (**option e**).

A major concern is raised about the unknown development costs that all scheme participants need to make in their internal systems and applications to handle the UTF-8 characters. Furthermore, the impact of the UTF-8 character set with respect to transaction screening (e.g., anti-money laundering and counter-terrorist financing) is unknown.

4.16.3.   SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal

The majority of EPC scheme participants (via national banking communities or via individual comments) to the 2016 public consultation supported the SEMWG recommendation that this change request cannot be part of the scheme. There is no outspoken majority among the other contributors expressing their support to this change request.

In consideration of the overall comments received, the SEMWG proposes not to include this change request in the 2017 SCT Rulebook version 1.0.

Explicit public consultation comments received

Contributor	Comments received
Stuzza Austria	YES We don't see a demand and the change makes the process more complicated from our point of view (more duties for the beneficiary bank).
Spanish banking community	NO It could be handled as an AOS - option d.

Contributor	Comments received
German Banking Industry Committee (GBIC) and Deutsche Bundesbank	NO Should be incorporated into the Scheme.
BNP Paribas	Yes Usage of UTF-8 could be investigated on the long term, but this is not a priority at the moment, taking into account that communities have the possibility to agree on the usage of an extended characters set
Danish bankers association	YES The development cost for this change request - and the need to be able to screen payment messages in various "exotic" languages means we are strongly against this.
Nordea Bank	YES The development cost for this change request - and the need to be able to screen payment messages in various "exotic" languages means we are strongly against this.
CaixaBank Spain	NO Despite agreeing that its implementation has implications and costs that have not been calculated for the time being, we understand it's something should be considered and included on the scheme. Not incorporing characters asked may results on 'incorrect' data provided.
Austrian Federal Economic Chamber, Division Bank and Insurance	YES We don't see a demand and the change makes the process more complicated from our point of view (more duties for the beneficiary bank).
REWE Group	NO full end to end support of UTF-8 (converted for MT940) would be appreciated.

Contributor	Comments received
Koordinierungsstelle für IT-Standards (KoSIT)	NO "A major concern is raised about the unknown development costs that all scheme participants need to make in their internal systems and applications to handle the UTF-8 characters." – There is a confusion between ""encoding"" and ""character set"". Unicode (encoding: UTF-8) has long been standard in ISO 20022 for SEPA communications. What the SEMWG actually asks is what typeface (""font"") they are to use for the extended character set. However, this should not be an obstacle. If necessary, make one – see the typeface ""UnicodeDoc"" that was created by the Germans after names in passports and ID cards were allowed to have the Latin subset of Unicode in them (""String.Latin""). What worries me is the hint on ""INTERNAL systems and applications"". If the character set is to be backwards-compatible ad nauseum (that is, compatible to 7-bit ASCII or EBCDIC), even German umlauts will not be allowed. Sorry, but we have 2016, not the 1980s! "Furthermore, the impact of the UTF-8 character set with respect to transaction screening (e.g., anti-money laundering and counter-terrorist financing) is unknown" – This can be easily solved – on the client side, you can allow the extended character set when you additionally (internally) create an ASCII representation.

This is standard for airplane tickets (even for Arabic…): See http://www.icao.int/publications/Documents/9303_p3_cons_en.pdf (page 70: VIZ versus MRZ, see also Table 6, page 30). |
| Finnish Steering Group for the National ICT Localization Initiative (Kotoistus) | NO   Customers in SEPA countries, whether companies or private persons, should be able to spell their name and address correctly according to national practice even when they include letters outside the Basic Latin character set and thus require use of Unicode UTF-8. This must be possible even in SEPA as the distinction between domestic and cross-border is absent. Except a question of equality, this is important for reliable identification of the customer and for giving the correct address, and in order to match with their official identity and identification documents.

As a consumer dealing with a company, a SEPA customer in Finland has a legal right to use and receive the correctly spelled name and address of the company without risk of confusion.

In Finland, the languages that residents have the right to use with authorities – Finnish, Swedish and Northern, Inari and Skolt Sami – commonly include characters outside the Basic Latin character set. Not being able to use their proper names and addresses in SEPA would be unacceptable and lack of respect for the customers' identity. |

Contributor	Comments received
	SEPA needs to utilize UTF-8 encoding covering all the currently used characters of the national languages and selected minority languages of Europe, and for other than Latin script the required transliteration scheme. The current EPC217-08 SEPA Conversion Table does not accept all characters required by Sami languages to be kept, and should thus be revised.

For your information: Finland has defined a Unicode subset suitable for this purpose. (The subset is required for easy recognisability and avoidance of confusables.) Although the primary user is the Finnish Population Register, this work is available for use for any Pan-European purpose, including SEPA. |
| BITKOM | NO   Option b, we support this CR.

It is important to make a clear statement conc. the character set directly in the rulebooks. |
| Erkki I Kolehmainen | NO   As a long time participant in cultural diversity and character encoding issues (at CEN TC304 and CDFG [Cultural Diversity Focus Group], ISO/IEC SC2, and Unicode, particularly its CLDR [Common Locale Data Repository] TC), I find it quite distressing that the issues that have been out in the open for many years are still in need of resolving, apparently with quite some opposition. My viewpoint on this was made public at the États généraux du multilinguisme, the main event of Journée européenne des langues on September 26th 2008.

Although this particular instance deals with SEPA, I also believe strongly that imposing artificial, outdated limitations to the character repertoire for use in public registers, is a major hindering factor for effective operation of the common market with the freedom of movement. Interoperability is required for manageable solutions and it requires managed co-operation of the member states. |

4.16.4.   SMB decision

Not to be included in the 2017 SCT Rulebook.
In 2017, the EPC will analyse the possibilities and the impact of extending the number of characters in the SEPA character set for scheme participants and payment end-user groups.

4.17. # 34: The category purpose of the credit transfer (AT-45) to become mandatory

4.17.1. Description

This change request was made by the Portuguese banking community.

The contributor suggests turning the optional attribute 'category purpose of the credit transfer' (AT-45) into a mandatory field. It will help all participants (Originator banks and Beneficiary banks) of the scheme to identify correctly the purpose of the transaction to improve market.

4.17.2. SEMWG analysis and recommendation for the public consultation

The SEMWG recommends not taking forward the change request (**option e**).

Depending on the agreement between the Originator and the Originator Bank, the category purpose can be forwarded to the Beneficiary Bank and the Beneficiary subject to any overriding legal/ regulatory requirements. The SEMWG refers to the rules applied in datasets DS-01 and DS-02 and recommends that this attribute remains optional.

4.17.3. SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal

The vast majority of EPC scheme participants (via national banking communities or via individual comments) and other contributors to the 2016 public consultation supported the SEMWG recommendation that this change request cannot be part of the scheme.

Therefore, the SEMWG proposes not to include this change request in the 2017 SCT Rulebook version 1.0.

Explicit public consultation comments received

Contributor	Comments received
BNP Paribas	Yes The category purpose is currently optional. Requiring its mandatory presence would only lead to use a generic code for all the cases that are currently initiated without category purpose
Slovak banking association	NO We do NOT support the idea. Currently, there is no demand for such change (moreover, that would mean higher costs for both the Creditors and Banks). "
CaixaBank Spain	YES As far as they are agreements between creditor and creditor bank, and also considering that in certain cases there may be some legal issued we agree with SEMs opinion of not considering them as mandatory.
REWE Group	YES the category purpose is of no benefit to neither the payer nor the payee. It should stay optional for those cases where it is legally required.

4.17.4. SMB decision

Not to be included in the 2017 SCT Rulebook.

4.18. # 35: New reason code for AT-48 'The Recall reason code'

4.18.1. Description

This change request was made by the Portuguese banking community.

Currently three reasons are made available in attribute AT-48 to recall a SCT: duplicate sending, technical problems resulting in erroneous SCTs and fraudulent originated credit transfer.

The contributor suggests expanding the possible reasons for a SCT recall with a "Payment Cancellation Request" code added in AT-48 of the SCT Rulebook. It will be used when the Originator has expressed the will to cancel the SCT instruction.

4.18.2. SEMWG analysis and recommendation for the public consultation

The SEMWG recommends not taking forward this change request (**option e**). It proposes an alternative and more elaborated solution (see section 4.23).

4.18.3. SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal

The vast majority of EPC scheme participants (via national banking communities or via individual comments) and other contributors to the 2016 public consultation supported the SEMWG recommendation that this change request cannot be part of the scheme.

Therefore, the SEMWG proposes not to include this change request in the 2017 SCT Rulebook version 1.0.

Explicit public consultation comments received

Contributor	Comments received
Fédération bancaire française	YES We support the EPC recommendation not to take forward this change request but disagree with the EPC proposed alternative solution. See our comment on # 40.
CaixaBank Spain	YES We understand that change requested would be useful if applied, as it's a very common casuistry, but as far as this case type is already covered on request 40 with wider scope of possibilities treaten we support EPC's position.
Lithuanian Central Bank	NO We propose option B. Other more elaborated solution adds more complexity istead of this rather light and rather easy to implement proposal

4.18.4. SMB decision

Not to be included in the 2017 SCT Rulebook.

4.19. # 36: Amendment to section 2.1 of the Scheme Management Internal Rules (SMIRs)

4.19.1. Description

This change request was made by Mrs Margarita Starkeviciute.

The contributor suggests changes to section 2.1 'Role of the Scheme Management Board' in the Scheme Management Internal Rules.

For efficient management of the evolution the EPC schemes, the Scheme Management Board should be supported by all relevant EPC bodies set up by the EPC Board.

4.19.2. SEMWG analysis and recommendation for the public consultation

The SEMWG suggests incorporating the change request into the Scheme (**option b**).

4.19.3. SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal

The vast majority of EPC scheme participants (via national banking communities or via individual comments) and other contributors to the 2016 public consultation supported the SEMWG recommendation that this change request can be part of the scheme.

Therefore, the SEMWG proposes to include this change request in the 2017 SCT Rulebook version 1.0.

Explicit public consultation comments received

Contributor	Comments received
Danish bankers association	YES While we have no problem with this CR, it seems rather trivial to include in a public consultation.

4.19.4. SMB decision

For inclusion in the 2017 SCT Rulebook.

4.20. # 37: Making storage location for additional customer-to-customer information available outside the payment transaction

4.20.1. Description

This change request was made by the SEMWG.

The current SCT scheme permits the end-to-end carrying of remittance data on a structured or unstructured basis. The scheme rules allow for one repetition of the remittance information field of up to 140 characters to be included with the remittance information.

Earlier change requests from different stakeholder groups and banking communities asked for a possibility to use significantly larger remittance information. The present 140 characters of remittance information appear to be not enough for some users or communities in the SEPA area.

It is proposed to make additional customer-to-customer information available outside of the SCT payment message. The payment message would only carry the information of the location where the additional customer-to-customer information is stored. The additional data separated from the 140 characters of the remittance information can then be sent separately from the SCT payment message.

Additional data elements/ attributes that already exist in ISO 20022 can be taken up in the SCT Rulebook (e.g., data element 2.94 RemittanceLocationElectronicAddress). These new attributes will store details of the location from where the additional customer-to-customer information can be retrieved.

It is emphasized that the current limited character set to be used in the SCT Scheme would remain unchanged. Furthermore, the additional attributes storing the location of the additional customer-to-customer information would be **optional** **fields**.

This means that only when the Originator provides information about the storage location of the additional customer-to-customer information in these optional fields, it is mandatory for the Originator Bank to transport this storage location information in these fields to the Beneficiary Bank. In case of an arrangement between the Beneficiary Bank and the Beneficiary, the information about the storage location could be made available.

These storage location details are sent together with the SCT message but are not part of the SCT payment. Upon review by the EPC's Legal Support Group in 2015 no legal or regulatory concerns were identified in the context of this proposed solution.

4.20.2. SEMWG analysis and recommendation for the public consultation

The SEMWG suggests incorporating the suggestion into the scheme the change request into the Scheme (**option b**).

With the provision of these additional fields, the market can further develop cloud-based solutions meeting the needs from Originators and Debtors to make underlying business information available outside the payment transaction. Apart of this, the remittance information can be further used in the payment transaction.

4.20.3. SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal
Views among contributors to the 2016 public consultation representing the EPC scheme participants are mixed. A large number of the other contributors do not support the SEMWG recommendation that this change request can be part of the scheme.

Therefore, the SEMWG proposes not to include this change request in the 2017 SCT Rulebook version 1.0.

Nevertheless the EPC will further analyse alternative ways forward to cover the current demand of additional customer-to-customer information taking the comments received during the consultation into consideration.

Explicit public consultation comments received

Contributor	Comments received
Stuzza Austria	NO We don't support this request because of security reasons. We cannot control what information is transported. If there is a computer virus transported in the link for example the customer will make us liable for that.
Spanish banking community	NO Cannot be part of the existing scheme - option e. The Spanish Community does not support this proposal.
Dutch Payments Association	NO DPA does not support EPC's recommendation. Adding a new optional field, has major impact and consequences for the entire payment chain, while we do not foresee a positive business case at this moment. Furthermore we have serious doubts about the fraud and risk aspects when adding a specific field for storage location (for instance when a link is added by the originator which is not and cannot be checked and can lead to suspicious content).

Contributor	Comments received
	We advise, if the storage location is to be included by the originator, to make use of already existing (optional) fields (e.g. free textfield).
Bank association of Slovenia	NO We do not have any customer demands for such a solution (storage location outside the payment transaction).
German Banking Industry Committee (GBIC) and Deutsche Bundesbank	NO Should not be incorporated into the Scheme.
Fédération bancaire française	NO From a commercial point of view, the French banking community doesn't have any objection to this change request. However, it can't agree today with it regarding pending questions about security, compliance and legal aspects. So far, these issues have not been analyzed by EPC. The French banking community asks for these studies to be made prior to any new public consultation.
Portuguese banking community	YES As long as it is optional to the decision of the Sender's and Beneficiary's Banks.
BNP Paribas	Yes Allowing corporates to use a separate storage location for additional information answers the request of our customers to benefit or larger remittance information.
Danish bankers association	YES Some concern has been raised as to whether this would impact the PSPs possibility to offer such services to businesses. However, we support the proposal.
Banking & Payments Federation Ireland	NO We do not see any customer need to provide additional information available outside of the payment transaction. We need further clarity on this as to what this entails - outside of the payment transaction ?
Payments UK	YES We have our doubts in terms of the technical feasibility on using of the ISO field ""2.94 RemittanceLocationElectronicAddress"".

Currently, the Character Set UTF-8 does not allow the Character '@' according to the EPC SEPA Rulebooks Implementation Guidelines. Furthermore, one member raised legal concerns on this point as they would view it as essential to screen the additional information referenced in the transaction. |

Contributor	Comments received
Polish banks' association	NO option e
Slovak banking association	NO We do not recommend to incorporate the "storage location information" as a C2C optional field. Currently, there is no demand for developing such functionality.
CaixaBank Spain	YES Due to the limitation to 140 characters and having noticed that some times and extension of info to beneficiary (i.e.,by means of an url) could be necessary, its implementation would be useful.
Austrian Federal Economic Chamber, Division Bank and Insurance	NO We don't support this request because of security reasons. We cannot control what information is transported. If there is a computer virus transported in the link for example the customer will make us liable for that.
CLUB SEPA _ France	YES absolute need for a clarification about the characters set to be used (warning : the address for a cloud place for instance)
REWE Group	NO payment detail information needs to be where it belongs to. Instead of creating new problem areas, the unstructured information needs to be able to hold more than 140 characters. External locations can be easily handled without changing the current scheme - but external locations are not what the payment service users are requesting.
EQUENS SE	NO Cannot be part of the existing scheme – option e It is not clear how and in which extent the regulatory compliance checks (e.g. Embargo, AML) on this attribute must be done.

Contributor	Comments received
Italian Association of Corporate Treasurers	NO Solution based on ISO 20022 standard is preferred. Remittance information should flow E2E, untouched, from originator through payment service providers to beneficiary. Access to external databased requires additional investments and duplicates processes. Furthermore it requires an additional reconciliation phase between the amount received with the payment and the total amount of the detailed information inserted in the external database We prefer not to have further external databases and interfaces (and the costs, direct and indirect, to implement and maintain them, with the further problem of managing firewalls to obtain machine to machine accounting reconciliation). Corporates strongly need to have remittance information directly from Payment Service Providers using the existing interfaces to comply with accounting, fiscal, legal, internal and external auditing, subsidized financing auditing rules and procedures. Authorities require PSP originated or confirmed information to certify actual settlement of invoices/debit notes. Corporates need also to minimize investments and operating costs. We want to avoid to have different rules and systems for reconciling a single invoice payment, currently manageable with existing EPC formats and multiple invoice payments, to be managed with an supplementary and different IT solution that implies also an additional reconciliation phase.
BITKOM	NO The change request should not be implemented on legal grounds and because of high costs. The remittance information in a payment message turns up as the text on the account statement. At least in Germany but probably also in other countries this account statement is a legally necessary book-keeping voucher. Thus, there are several regulatory requirements to be fulfilled, e.g. the obligation to preserve records and the permanent accessibility over a period of ten years. This will cause high costs for saving the data and high complexity as additional customer-to-customer information can be stored in different format, like URL, Fax, Email, etc.. We also expect high costs and high complexity of privacy protection as the remittance information most of the time contains private and confidential data that must be protected from unauthorized access.

Contributor	Comments received
	Finally the information on the account statement delivered by the CAMT or MT940 formats is used for automated booking. If relevant information is only found in additional customer-to-customer information outside of the SCT/SDD payment message it will complicate this process.
European Association of Corporate Treasurers	NO Solution based on ISO 20022 standard is preferred. Remittance information should flow E2E, untouched, from originator through payment service providers to beneficiary. Access to external databased requires additional investments and duplicates processes. Furthermore it requires an additional reconciliation phase between the amount received with the payment and the total amount of the total of information inserted in the external database. Furthermore it requires an additional reconciliation phase between the amount received with the payment and the total amount of the total of information inserted in the external database. Internal and external auditors, subsidized finance authorities and fiscal authorities require bank originated information to certify actual settlement of invoices/debit notes.

Contributor	Comments received
Verband Deutscher Treasurer e.V.	NO Solution based on ISO 20022 standard is preferred. Remittance information should flow E2E, untouched, from originator through payment service providers to beneficiary. Access to external databased requires additional investments and duplicates processes. Furthermore it requires an additional reconciliation phase between the amount received with the payment and the total amount of the detailed information inserted in the external database. A large number of corporates prefer not to have further external databases and interfaces (and the costs, direct and indirect, to implement and maintain them, with the further problem of managing firewalls to obtain machine to machine accounting reconciliation). Corporates strongly need to have remittance information directly from Payment Service Providers using the existing interfaces to comply with accounting, fiscal, legal, internal and external auditing, subsidized financing auditing rules and procedures. Authorities require PSP originated or confirmed information to certify actual settlement of invoices/debit notes. Corporates need also to minimize investments and operating costs. It is also necessary to avoid to have different rules and systems for reconciling a single invoice payment, currently manageable with existing EPC formats and multiple invoice payments.
Lithuanian Central Bank	YES Although the implementation should be carefully investigated to avoid the appearance of unsecured links and potential misuse

4.20.4.   SMB decision

Not to be included in the 2017 SCT Rulebook.
In 2017, the EPC will collect the concrete needs from different payment end-user groups and analyse the impact of possible solutions for scheme participants and for the different payment end-user groups.

4.21. # 38: Amendments to section 3.2.3.5 of the Scheme Management Internal Rules (SMIRs) and Rulebook section 5.6

4.21.1. Description

This change request was made by the EPC secretariat.

It proposes to amend the text of section 3.2.3.5 of the Scheme Management Internal Rules (SMIRs) and the Rulebook section 5.6 to make the Scheme Participant's obligations in the context of changes to the Scheme Participant's operational, contacting or invoicing details more explicit. When the EPC Register of Scheme Participants database does not contain up-to-date information, this risks to negatively affect the Secretariat's ability to communicate with the relevant Scheme Participants, and would hamper the invoicing and collection of scheme participation fees.

Having up-to-date contact information is a prerequisite to ensure that the EPC can effectively communicate with all Scheme Participants (for example when clarification letters are being sent to Scheme Participants).

Furthermore, it is expected that the proposed change will be an important enabler for the EPC Secretariat to reach and bill Scheme Participants at all times in an effective manner. As such, the cost of invoicing the more than 4.000 Scheme Participants can be kept under control, to the benefit of all Scheme Participants, as this cost will ultimately be borne by them.

4.21.2. SEMWG analysis and recommendation for the public consultation

The SEMWG suggests incorporating the change request into the Scheme (**option b**).

4.21.3. SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal

The vast majority of EPC scheme participants (via national banking communities or via individual comments) and other contributors to the 2016 public consultation supported the SEMWG recommendation that this change request can be part of the scheme.

Therefore, the SEMWG proposes to include this change request in the 2017 SCT Rulebook version 1.0.

Explicit public consultation comments received

Contributor	Comments received
Danish bankers association	YES We support this proposal - but would also like to see clearer procedures for communication between EPC and adherents (e.g which information needs to be communicated to the EPC at which times and how).
CLUB SEPA _ France	YES suggestion : could the details (adress, name) of SEPA reachable banks known by EPC be published for all SEPA participants?

4.21.4. SMB decision

For inclusion in the 2017 SCT Rulebook

4.22. # 39: Inclusion of SCT inquiries

4.22.1. Description

This change request was made by the SEMWG.

The PSD 2 stipulates that the PSPs have to support their customers to rectify non-executed or defective payment transactions. This obligation requires new inquiry processes about the fate or the status of the concerned payment and the initiation of further actions and related replies.

The suggestion is to include SCT inquiry procedures between the Beneficiary Bank and the Originator Bank based on ISO 20022 camt. XML messages in the SCT rulebook. All SCT scheme participants will have to be at least able to accept the ISO 20022 XML message-based SCT inquiries and be able to respond to these SCT inquiries via defined ISO 20022 XML messages.

A number of SCT inquiry request types have been identified which are considered to be suitable for the SCT scheme. These types have been retained following an analysis on the inquiry requests and of corresponding inquiry responses in SWIFT MT 195 and MT196 messages.

Given the development of the required camt. messages, the suggestion is have the SCT inquiry procedures in place as of **November 2018** to provide all SCT scheme participants sufficient lead-time to prepare themselves for such change in November 2018.

4.22.2. SEMWG analysis and recommendation for the public consultation

The SEMWG suggests incorporating the change request into the Scheme (**option b**) entering into effect as of **November 2018**.

4.22.3. SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal

Views among contributors to the 2016 public consultation representing the EPC scheme participants are mixed. A large number of the other contributors do support the SEMWG recommendation that this change request can be part of the scheme.

The SEMWG considered the views received and proposes to make this change request effective as of November **2018**.

In case the SMB decides to make this change request part of the SCT scheme, the SEMWG will then analyse to include this change request

- Either already in the 2017 SCT Rulebook version 1.0 published in November 2016 with an effective date only in November 2018 for this specific process or

- In a separate 2018 SCT Rulebook version 1.0 with a publication date either in 2016 or in 2017

Explicit public consultation comments received

Contributor	Comments received
Stuzza Austria	YES We would suggest to add an additional free format message (comparable with the SWIFT free format message) to the suggested message types in order to be able to handle all inquiry types by using xml-messages.
Spanish banking community	NO Cannot be part of the existing scheme - option e. The Spanish Community does not support this as ordering party can always rely on its representative to forward as swift message. Investments required for it related to SCT inquiries is not justified.
Finnish banking community	No All banks support the suggestion in principle, but the time schedule for the implementation could be too tight.
Dutch Payments Association	NO DPA does not support recommendation EPC, because there is no business case for this. Moreover, this change proposal is very unclear at certain points, so it's impossible to assess the full impact of the implementation for 2018. DPA proposes that, when SWIFT is switching to XML, this will be a good moment to assess this proposal again.
Fédération bancaire française	NO CR 39 proposes a SCT Inquiry procedure if a Beneficiary claims (i) not to have received an SCT or (ii) that an SCT has been credited with a value date later than the date the amount would have been value dated had the transaction been correctly executed. In both instances, it is envisaged that the Beneficiary will contact first the Originator and that the Originator will launch a claim accordingly to the Originator Bank. This SCT Inquiry procedure is presented as mandatory so that the Originator bank may then trace the SCT according to Article 89 PSD2. We disagree with this legal analysis. The Originator Bank must already trace such SCT according to PSD1. Article 89 PSD2 (Payment service providers' liability for non-execution, defective or late execution of payment transactions) provides that:

Contributor	Comments received
	"In the case of a non-executed or defectively executed payment transaction where the payment order is initiated by the payer, the payer's payment service provider shall, regardless of liability under this paragraph, on request, make immediate efforts to trace the payment transaction and notify the payer of the outcome. This shall be free of charge for the payer." The only difference between PSD1 (Article 85 PSD1) and PSD2 is the specification that the Originator Bank must render such service for free. The Originator Banks currently provide such service; they don't need an SCT Inquiry procedure to do so. Therefore there is no obligation to include a new procedure in the scheme as other procedures are today efficiently implemented and customers are satisfied with the provided responses. Very few SCT are subject to a claim.
BNP Paribas	No The current manual processes are aligned and answering the minimum requirements for all payment products. There is no current need for automation of such processes
Citibank	NO From an internal review, the Interbank queries for SCT payments are found in high volumes. As such, the requirement to automate this process using ISO XML messaging in customer to bank space and inter-bank space, and in the least inter-bank space, and also developing business process in order to support this process seems to incur a huge development cause. Therefore in our view, we do not see this change beneficial considering the volumes, current process and the development scale.
Danish bankers association	YES We support this proposal and the timeline. Our (smaller) members occasionally experience problems with enquiries due lack of exchange of SWIFT keys.
Banking & Payments Federation Ireland	NO We do not see any operational need to support camt XML messages for SCT inquiries. The existing SWIFT messages suffice. No customer requirement or business driver at this stage
CaixaBank Spain	YES Consistency with what we understand should be included on SCTinst (and have asked it to on our comments to public consultation of its rulebook).

Contributor	Comments received
Austrian Federal Economic Chamber, Division Bank and Insurance	YES We would suggest to add an additional free format message (comparable with the SWIFT free format message) to the suggested message types in order to be able to handle all inquiry types by using xml-messages.
CLUB SEPA _ France	YES which ISO format will be used? A format dated 2009 or a most recent one?
EQUENS SE	NO Don't agreed: option c Equens consider that this topic may be included in the scheme but only as an optional feature. So banks may decide to implement the PSD2 prescription in the way proposed or not.
BITKOM	NO OPINION Generally we support CRs to enable STP as far as possible. But currently we do not have a sort of feeling to evaluate the consequences conc. implementation effort, so we conclude "no opinion".

4.22.4.   SMB decision

For inclusion in the 2017 SCT Rulebook with this change request becoming effective as of November 2018.

4.23. # 40: Inclusion of 'Recall Request by the Originator'

4.23.1.   Description

This change request was made by the SEMWG.

The SCT Rulebook currently foresees only two routes through which a settled SCT transaction can be reversed:

- A Return sent by the Beneficiary Bank to the Originator Bank for a SCT that cannot be executed.

- A Recall initiated by the Originator Bank within 10 Banking Business Days after execution date of the SCT subject to the Recall. It can only be used for three specific reasons: duplicate sending, technical problems resulting in erroneous SCT(s) and a fraudulently originated SCT.

The SCT Rulebook procedures Returns and Recalls do not cater for the situation whereby the Originator simply requests to reverse its SCT transaction due to a mistake made by the Originator itself (e.g., provided a wrong account or amount).

The suggestion is to develop in the SCT rulebook a concrete procedure for Originator Banks to handle a 'Recall Request by the Originator' for a reason other than duplicate sending, technical problems resulting in erroneous SCT(s) and a fraudulently originated SCT, whereby this procedure will rely upon ISO 20022 XML messages.

All SCT scheme participants will have to be able to accept the ISO 20022 XML message-based 'Recall Request by the Originator' and be able to respond to this 'Recall Request by the Originator' via defined ISO 20022 XML messages.

It is emphasized that in accordance with PSD2, the SCT transaction once issued by the Originator remains irrevocable. Furthermore, the proposed procedure in the SCT Rulebook for 'Recall by the Originator' does not guarantee that the Originator will get back the funds of the initial credit transfer.

Given the development of the required ISO 20022 messages, the suggestion is have the procedure for 'Recall by the Originator' in place as of November 2017.

4.23.2.   SEMWG analysis and recommendation for the public consultation

The SEMWG suggests incorporating the change request into the Scheme (**option b**) as of November 2017.

If the respondent agrees with the change request as such, the respondent should indicate if this change request should be incorporated into the Scheme as of November 2017 or rather as of November 2018.

4.23.3.   SEMWG change proposal and explicit public consultation comments received

SEMWG change proposal

A large majority of EPC scheme participants (via national banking communities or via individual comments) and other contributors to the 2016 public consultation supported the SEMWG recommendation that this change request can be part of the scheme.

The SEMWG considered the views received and proposes to make this change request effective as of November **2018**. It further proposes to rename this SCT Recall reason type into "Request for recall by the Originator".

In case the SMB decides to make this change request part of the SCT scheme, the SEMWG will then analyse to include this change request

- Either already in the 2017 SCT Rulebook version 1.0 published in November 2016 with an effective date only in November 2018 for this specific SCT Recall reason or

- In a separate 2018 SCT Rulebook version 1.0 with a publication date either in 2016 or in 2017

Explicit public consultation comments received

Contributor	Comments received
Stuzza Austria	YES Incorporation in 2017 - We have significant numbers of customers who want to start a request for calling back a SCT and the proposed solution is simple.
Czech Banking Association	YES Warning: such function would cause a huge amount of "manual procedures". Without individual consent on the payee's side no further steps could automatically follow.
Spanish banking community	YES As of November 2017. The Spanish Community already allows at interbank space the use of camt.056 for a recall request following ordering party instructions, by quoting 'CUST' in field 4.42.
Dutch Payments Association	NO DPA strongly rejects this recommendation of EPC because we consider the limited existing SCT-recall reasons (duplicate, technical, fraud) in line with the irrevocability of SEPA Credit Transfers. Furthermore we have serious doubts whether this change is allowed under PSD(2)-regulation and request EPC to ask the Legal Support Group a formal advice about the legal context/PSD.
Bank association of Slovenia	NO We propose to add new reason code for reason of cancelation.

Contributor	Comments received
German Banking Industry Committee (GBIC) and Deutsche Bundesbank	YES Should be incorporated into the Scheme as of November 2017. With regard to the negative response attribute AT-AH in DS-10 and the provision of PSD article 88 (3) a clarification for a better understanding is proposed: The Rulebook should clarify that the use of the attribute is "mandatory" if no national legislation prohibits or restricts the provision of "all information available" about the Beneficiary to file a legal claim to recover the funds in case of reason code "wrong identifier of the Beneficiary account". In the case that partial or full information cannot be provided a placeholder has to be defined.
Fédération bancaire française	NO CR 40 proposes a new type of R-transaction whereby the Originator of a SCT transaction duly settled wishes to get "reimbursed" for any reason (including a disagreement between the Originator and the Beneficiary). This new type of R-transaction would be a "general Recall" by opposition to the three specific Recalls provided in the SCT RB, i.e. (i) duplicate sending (ii) technical problems resulting un erroneous SCT and (iii) fraudulent originated SCT. This general Recall procedure would rely on upon ISO 20022 XML messages. This general Recall is not prompted by PSD2. The CR states rather that it would be useful since neither PSD2 nor the SCT RB caters for such a situation. We believe that such a general Recall would infringe PSD2 from a legal point of view, thus we are against CR 40. A general Recall would infringe the principle of independence between a payment order and the underlying obligation between the payer and the payee. This independence principle is clearly set forth in Article 4.5 PSD2 defining a payment transaction as " means an act, initiated by the payer or on his behalf or by the payee, of placing, transferring or withdrawing funds, irrespective of any underlying obligations between the payer and the payee"

Contributor	Comments received
	This independence principle explains why that the reimbursement of a payer by a payee must be considered as a new payment order in case of litigation between a payer and a payee, by opposition to a Recall or any sort of R-transactions (Recital 79 PSD2 and Recital 39 PSD1)
	Accepting the inclusion of ""recall request by originator"" in the Rule Book would entail an increase of the transactions. Beneficiary banks would have to deal with extra flow (especially the task to ask their clients if they agree with the requested recall).
	Overall we think that when such a dispute arises, it will be simpler and more efficient for the originator to enter in contact with the beneficiary to solve the issue without involving the PSPs in the matter. In the long run, this new CR will risk to bring forward the PSPs to interfere in commercial dispute between the originator and the beneficiary."
Portuguese banking community	YES As of November 2017.
BNP Paribas	No BNPP is in favour to leave recalls usage for the current agreed reasons (fraud, duplicate and technical error) only.
	The ability to accept recalls electronically initiated should remain a decision of banks. Banks wishing to proceed recalls via other means only should remain allowed to do so.
Citibank	YES November 2018
Danish bankers association	YES We support this proposal provided it is absolutely clear that this is a "request" that the beneficiary may choose to accept or not. As under 39, we would prefer November 2018.
Luxembourg bankers' association	YES We support the date of November 2018.
Nordea Bank	YES We support this proposal provided it is absolutely clear that this is a "request" that the beneficiary may choose to accept or not. As under 39, we would prefer November 2018.
Payments UK	YES France uses a specific AOS as SEPA Credit Transfer Reversal (SCTR) - Annulation Comptable de Virement SEPA (ACVS) [SCT]

Contributor	Comments received
	SCTR is a mechanism that allows to reverse erroneously sent SCT transactions, under strictly defined conditions. It may only be used by banks, and not on behalf of their customers.
	The recall remains the procedure to be used by corporates to cancel erroneously initiated SCTs.
	Preference by members for the November 2018 timeline.
Polish banks' association	YES November 2017
CaixaBank Spain	YES Consistency with what we understand should be included on SCTinst (and have asked it to on our comments to public consultation of its' rulebook).
Austrian Federal Economic Chamber, Division Bank and Insurance	YES Incorporation in 2017 - We have significant numbers of customers who want to start a request for calling back a SCT and the proposed solution is simple.
CLUB SEPA _ France	NO question : this issue must absolutely be analysed on a legal basis to fix 2 topics:
	- does the recall process make mandatory for the beneficiary bank to receive the formal agreement of the beneficiary before reverse the SCT?
	- if the revocability of the original SCT is not questioned? does it mean the message to refund the originator is a totally new SCT message or a kind of reverse transaction like the reversal for SDD? what is the legal status of this refund transaction?
BITKOM	YES Incorporated as on November 2017.
	Please note, that a recall by the Originator must be possible for any reason and not be constrained to reasons such as duplicate sending, technical problems or fraud.
Lithuanian Central Bank	NO We believe that Item 35 propose easier solution. If this option is selected we opt for implementation in November 2018

4.23.4.   SMB decision

For inclusion in the 2017 SCT Rulebook with this change request becoming effective as of November 2018.

5. CHANGES PERTAINING TO THE IMPACT OF THE SEPA REGULATION OR OF ANY OTHER EU LEGISLATION ("REGULATORY CHANGE PROPOSAL SUBMISSION DOCUMENT"[3])

As the EPC is under the legal obligation to ensure compliance of the rulebooks with the SEPA Regulation or of any other EU legislation, proposed changes to the rulebooks under this section are not subject to public consultation. They are included in this document for information.

For this rulebook change management cycle, no changes were deemed required at the start of the public consultation.

During the public consultation, a number of regulatory and payment scheme oversight matters were brought to the attention of the EPC. A first set relates to the Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 ('PSD 2') becoming effective as of 13 January 2018. A second group results from the guides for the assessment of credit transfer schemes against the Eurosystem's oversight standards. The Eurosystem has conducted an oversight assessment on the SDD Core scheme. In order to comply with the above mentioned changes of a regulatory nature within the time frame required it was not possible to process the necessary changes as part of the regular change management process.

Section 4.2.9 of the SMIRs prescribes the procedure for a Change for Regulatory Reasons. This section should be considered as a Regulatory Change Proposal Submission Document. The SEMWG presents Regulatory Change Proposals in the table below. Given their regulatory nature, these Proposals require only a review and approval from the SMB.

The proposed changes resulting from **PSD 2** will be included in the SCT rulebook becoming effective on 19 November 2017 even though the PSD 2 enters into force on 13 January 2018 only.

The proposed changes resulting from the **Eurosystem oversight assessment on the SDD Core scheme** having an impact on the SCT rulebook, will be included in the SCT rulebook becoming effective on 19 November 2017.

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[3] This Section 5 contains the so-called Regulatory Change Proposal Submission Document as referred to in Section 4.2.9 of the Scheme Management Internal Rules (SMIRs)

Section	Description	Reason for change
Change Proposals resulting from PSD 2		
1.3	<u>Wording change in first bullet point:</u> The demand for payment services using a customer credit transfer arises from an Originator, who wishes to transfer<u>**</u> Funds for whatever reason to a Beneficiary. <u>The credit transfer can be initiated directly (by the Originator) or indirectly (by a 'payment initiation service provider' at the request of the Originator) in compliance with the Payment Services Directive.</u>	PSD 2 introduces the concept of payment initiation services (PIS). Some references to PIS need to be added.
1.8	A new third paragraph added	Provide clarifications on the obligations resulting from PSD2 for non-EEA scheme participants as stipulated in Sections 5.1 and 5.14
3.1	<u>Wording change in first bullet point:</u> • The Originator: is the customer who initiates <u>directly or indirectly</u>** the credit transfer by providing the Originator Bank with an instruction. The Funds for such a credit transfer are made available by means of a debit from a specified payment account of which the Originator is account holder. ** footnote added: in compliance with the Payment Services Directive New bullet point under last bullet point: • Payment initiation service providers (PISP): Originators may make use of a PISP to initiate a credit transfer	PSD 2 introduces the concept of payment initiation services (PIS). Some references to PIS need to be added.

Section	Description	Reason for change
4.2.1	Wording change: In such cases, the agreed date will be deemed to be the relevant date for commencing the execution of the Credit Transfer Instruction. ~~Since 1 November 2009, T~~this provision is to be construed in accordance with the provisions of Article 78(2) ~~64(2)~~ of the Payment Services Directive.	Reference does not match with PSD 2
4.3.1	CT-01.04 The Beneficiary Bank should~~must~~ credit the account of the Beneficiary in accordance with the provisions of the Payment Services Directive~~, taking into consideration such legal obligations as the Beneficiary Bank may be subject to under Article 73 87 of the Payment Services Directive~~. 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.	Reference does not match with PSD 2
5.1	Last bullet point: • Participants need to ensure that the Regulation ~~1781/2006 of 15 November 2006~~ on Information 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 SEPA Credit Transfer Scheme are effectively represented in law or substantially equivalent binding practice.	References are outdated
5.1	Extra text added in the third bullet point	Provide clarifications on the obligations resulting from PSD2 for non-EEA scheme participants

Section	Description	Reason for change
5.4	First bullet point split into two separate bullet points with the wording of the new second bullet point changed starting now with: "be active in the business of providing accounts….."	Article 11 of PSD2 includes a wider set of types of PSPs. A clarification is needed on the SEPA scheme eligibility criteria as stipulated in Section 5.4 of the scheme Rulebooks. Applicant scheme participants have to demonstrate that they are in the business of providing 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. Those PSPs who are not in the business as described above will also have difficulties complying with the obligations under Sections 5.7 and 5.8 of the Rulebooks should they become scheme participants.
5.4	The list of legislations updated for "Applicants which fall within one of the following categories…"	Inclusion of legislation related to the Crown Dependencies and references to updated EU legislation
5.4	Wording change in 3rd paragraph: An applicant which has been authorised as a payment institution under Article 1110 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:	Reference does not match with PSD 2
5.4	The text of the first bullet point under the third par. has been shortened by removing "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"	To align this paragraph on payment institutions with the first bullet in the first paragraph of section 5.4

Section	Description	Reason for change
5.14	Extra text added in the third paragraph	Provide clarifications on the obligations resulting from PSD2 for non-EEA scheme participants
7	<u>Wording change for "Credit Transfer Instruction":</u> An instruction given by an Originator to an Originator Bank requesting the execution of a credit transfer transaction, comprising such information as is necessary for the execution the credit transfer <u>and is directly or indirectly initiated in accordance with the provisions of the Payment Services Directive</u>.	PSD 2 introduces the concept of payment initiation services (PIS). Some references to PIS need to be added.
7	<u>Wording change for "Payment Services Directive":</u> ~~Directive 2007/64/EC on Payment Services in the Internal market published in the Official Journal of the European Union on 5 December 2007 (PSD 1).~~ <u>Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC (PSD 2)</u>	Reference to be made only to PSD 2.
7	Add definition for "Regulation on Information accompanying Transfers of Funds": Regulation (EU) 2015/847 of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds and repealing Regulation (EC) No 1781/2006	

Change Proposals resulting from the Eurosystem oversight assessment on the SDD Core scheme		
5.7 and 5.8	Add a new bullet point: • ensure the ongoing compliance of its own rules, procedures and agreements with the laws and regulations applicable to them.	<u>Standard 1:</u> <u>Compliance with legislation:</u> The EPC does not require participants in the scheme to carry out a comprehensive check of the compliance of their own rules and procedures with the legislation applicable to them. This extra bullet point is based on the understanding that • the EPC is not expected to actively police compliance • the principle of proportionality would be applied • a reference / clarification could be added - as to scheme participants' compliance with legislation or regulation – • a complainant PSP would need to refer a matter to the relevant competent authority • the EPC itself could refer a matter to the relevant competent authority • only issues of a scheme-wide importance should be a focus for the EPC in respect of its own investigations and possible sanctions in the event of a complaint.

SMIRs section 3.4.4	Evaluation of Complaint:	Standard 1:
	Two additional paragraphs to be added.	Compliance with legislation:
		See above-mentioned comment for rulebook section 5.7 and 5.8
	In the event of a complaint as to a scheme participants' compliance of their own rules, procedures and agreements with applicable legislation or regulations a complainant Scheme Participant should refer such matter to the relevant competent authority. The CAC – at its discretion - could also refer such matter to the relevant competent authority. Only issues of a scheme-wide importance shall be a matter for the CAC in respect of its investigations and possible sanctions in the event of a complaint.	
	For the sake of clarity, an issue of scheme-wide importance shall be understood to be a matter that could be seen as creating reputational damage to the Scheme or that could negatively affect the integrity or the proper functioning of the Scheme. The CAC may refuse complaints if it reaches the conclusion that a particular complaint at hand does not qualify to be of scheme-wide importance. The CAC may decide to consult with the SMB in such matters before refusing a complaint.	

5.7 and 5.8	Add new bullet points: • enter into an agreement governing the provision and use of services relating to the Scheme only after applying the principles of Know Your Customer • ensure that such agreement is consistent with the Rulebook and that such agreement is complete, unambiguous and enforceable	<u>Standard 1:</u> <u>Completeness, unambiguity and enforceability:</u> The Rulebook requires that participants enter into agreements governing the provision and use of services relating to the scheme with their customers and that such agreements are consistent with the Rulebook. It does not, however, expressly provide that such agreements must be complete, unambiguous and enforceable. The Rulebook should be amended to require participants to enter into agreements with their customers that comply with this requirement.

| SMIRs section 3.4.4 | Evaluation of Complaint:

Two additional paragraphs to be added.

In the event of a complaint regarding a scheme participants' compliance with the obligation to ensure that an agreement governing the provision and use of services relating to the Scheme is consistent with the Rulebook and that such agreement is complete, unambiguous and enforceable, a complainant Scheme Participant should refer such matter to the relevant competent authority. Only issues of a scheme-wide importance shall be a matter for the CAC in respect of its investigations and possible sanctions in the event of a complaint.

For the sake of clarity, an issue of scheme-wide importance shall be understood to be a matter that could be seen as creating reputational damage to the Scheme or that could negatively affect the integrity or the proper functioning of the Scheme. The CAC may refuse complaints if it reaches the conclusion that a particular complaint at hand does not qualify to be of scheme-wide importance. The CAC may decide to consult with the SMB in such matters before refusing a complaint. [this last paragraph to be inserted only once into 3.4.4 at the bottom of the new insertions] | Standard 1:

Completeness, unambiguity and enforceability:

The Rulebook requires that participants enter into agreements governing the provision and use of services relating to the scheme with their customers and that such agreements are consistent with the Rulebook.

It does not, however, expressly provide that such agreements must be complete, unambiguous and enforceable. The Rulebook should be amended to require participants to enter into agreements with their customers that comply with this requirement. |
|---|---|---|

5.7 and 5.8	Add a new bullet point: enter into legally binding agreements with their credit transfer service providers covering all functions performed by those providers in direct connection with the scheme, ensure that such agreements are complete, unambiguous and enforceable on each contractual party and safeguard the ongoing compliance of such agreements with the laws applicable to them.	Standard 1: Legally Binding Nature: The Rulebook does provide that scheme participants must enter into agreements governing the provision and use of services relating to the scheme with their customers which are consistent with the Rulebook. However, it does not require scheme participants to ensure that their relationship with other service providers (e.g., technical service providers, CSMs) is contractually documented, or that such contracts are legally binding, complete, unambiguous and enforceable and that those agreements are always in compliance with the laws applicable to them.
7	Add the definition of the credit transfer service provider: Credit transfer service providers include payment service providers, technical service providers offering technical services for purposes directly linked to the Scheme, the clearing provider and the settlement provider.	

SMIRs section 3.4.4	Two additional paragraphs to be added.	Standard 1:
		Legally Binding Nature:
	In the event of a complaint regarding a scheme participants' compliance with the obligation to enter into legally binding agreements with their credit transfer service providers or direct debit service providers covering all functions performed by those providers in direct connection with the concerned scheme, to ensure that such agreements are complete, unambiguous and enforceable on each contractual party and / or to safeguard the ongoing compliance of such agreements with the laws applicable to them, a complainant Scheme Participant should refer such matter to the relevant competent authority. Only issues of a scheme-wide importance shall be a matter for the CAC in respect of its investigations and possible sanctions in the event of a complaint.	The Rulebook does provide that scheme participants must enter into agreements governing the provision and use of services relating to the scheme with their customers which are consistent with the Rulebook.
		However, it does not require scheme participants to ensure that their relationship with other service providers (e.g., technical service providers, CSMs) is contractually documented, or that such contracts are legally binding. The new paragraph in Section 3.4.4 needs to be in line with the relevant new wording in Sections 5.7 and 5.8. as outlined above.
	For the sake of clarity, an issue of scheme-wide importance shall be understood to be a matter that could be seen as creating reputational damage to the Scheme or that could negatively affect the integrity or the proper functioning of the Scheme. The CAC may refuse complaints if it reaches the conclusion that a particular complaint at hand does not qualify to be of scheme-wide importance. The CAC may decide to consult with the SMB in such matters before refusing a complaint. [this last paragraph to be inserted only *once* into 3.4.4 at the bottom of the new insertions]	

5.7 and 5.8	Add a new bullet point: • require the CSM(s) to which it is connected to act in compliance with the scheme rules.	Standard 2 Roles and Responsibilities The EPC documentation related to the adherence to and governance and functioning of the scheme is adequate with respect to the interbank sphere but does not sufficiently cover CSMs. A compromise with the Eurosystem foresees the new obligation for scheme participants to only use scheme-compliant CSMs.
5.7	Insert the following bullet point: • provide Originators with adequate information on their risks as well as the respective rights and obligations of the Originator, Beneficiary, Originator Bank and Beneficiary Bank, where relevant, including those specified in the applicable legislation, in relation to the SEPA credit transfer as well as to the Scheme in question, and information about the service level offered and any charges that apply to the service being performed; Delete the 8th bullet having the wording: "provide Originators and prospective Originators with adequate information to understand the Scheme proposition, its service level and in particular when the Beneficiary will receive the Funds."	Standard 2 (items 2.2.4 and 2.2.5: - appropriate information to payers and payees): The EPC should further specify the obligations of Originator and Beneficiary Banks to inform payers and payees about their risks, rights and obligations in relation to credit transfer and the risks related to it.

| 5.8 | Insert the following bullet point:
• provide Beneficiaries with adequate information on their risks as well as the respective rights and obligations of the Originator, Beneficiary, Originator Bank and Beneficiary Bank, where relevant, including those specified in the applicable legislation, in relation to the SEPA credit transfer as well as the Scheme in question, and information about the service level offered and any charges that apply to the service being performed; | Standard 2 (items 2.2.4 and 2.2.5: - appropriate information to payers and payees):

The EPC should further specify the obligations of Originator and Beneficiary Banks to inform payers and payees about their risks, rights and obligations in relation to credit transfer and the risks related to it. |

| SMIRs 3.4.1 | Add following paragraphs:

The CAC shall oversee (…)

For breaches of the obligation for scheme participants to ensure the ongoing compliance of their own rules and procedures with the laws applicable to them, the CAC shall only focus on violations of such obligations which are of scheme-wide importance.

For the sake of clarity, an issue of scheme-wide importance shall be understood to be a matter that could be seen as creating reputational damage to the Scheme or that could negatively affect the integrity or the proper functioning of the Scheme. The CAC may refuse complaints if it reaches the conclusion that a particular complaint at hand does not qualify to be of scheme-wide importance. The CAC may decide to consult with the SMB in such matters before refusing a complaint. | Standard 2:

The EPC should require that participants provide their customers with all relevant information about fees related to the use of the direct debits.

Following the Articles 38 (1) (c) and 39 (1) (c) of the PSD 1 which have been equally reflected in Articles 57 (1) (c) and 58 (1) (c) PSD 2 for charges for any payment transactions, scheme participants already have to provide their customers with all relevant information about fees related to the use of credit transfers and direct debits.

When the EPC implements a wider scheme obligation into the SEPA Scheme Rulebooks that requires scheme participants to ensure the ongoing compliance of their own rules and procedures with the laws applicable to them, such wide-ranging scheme obligation should adequately address this issue.

Any complaining party that believes to have identified a violation of this legislative and scheme obligation should be referred to the national competent authority. The EPC should consider following up with an infringement procedure only in the event of violation of such obligation of scheme-wide relevance. |

5.7 and 5.8	New bullet points: • immediately (without any further delay) report to the EPC about unmitigated Risks of scheme-wide Importance and about Major Incidents that affect the smooth functioning of the Scheme; • without delay report to the EPC about issues or complaints related to SEPA credit transfer transactions that were raised by Originators or Beneficiaries and about internal or external audit findings, where such issues, complaints or findings are of scheme-wide importance	<u>Standard 3:</u> The EPC should require that participants report the EPC about major incidents.
7	Add the definition for Issues or Complaints of scheme-wide Importance, Major Incidents, Risk of scheme-wide Importance	<u>Standard 3:</u> The EPC should require that participants report the EPC about major incidents.

6. CHANGE PROPOSALS TO ENSURE CONSISTENCY WITH THE SEPA INSTANT CREDIT TRANSFER SCHEME RULEBOOK

The EPC organised from 12 April to 10 July 2016 a public consultation on the draft version 0.1 of its SEPA Instant Credit Transfer (SCT Inst) scheme rulebook. The draft SCT Inst rulebook outlines the proposed detailed business and technical rules of the future SCT Inst scheme, scheduled to be published in November 2016, and to take effect in November 2017.

During the **preparation** of the draft SCT Inst rulebook version for its public consultation, a number of items were raised that are also relevant for the SCT rulebook becoming effective on 19 November 2017.

In order to ensure consistency with the future version 1.0 of the SCT Inst rulebook, the SEMWG proposes the following changes in the SCT rulebook becoming effective on 19 November 2017 even though these changes have not been subject to the 2016 SCT rulebook change management cycle:

Section	Description	Reason for change
1.7	The Scheme delivers the end-to-end carrying of Customer remittance data on either a structured or an~~and~~ unstructured basis.	Typo detected. The combination of structured and unstructured remittance data is not possible.
4.3.2	**CT-02.01** The Originator Bank realises the need to recall an SCT Inst. It may also receive a request from the Originator _(see CT-02.00 (added in Figure 4))_. Before initiating the Recall procedure, the Originator Bank must check if the SCT Inst subject to the Recall:	The figure 4 outlining the Credit Transfer Recall process does not show a formal step whereby the Originator can make a Recall request by itself. Such formal step will be added as CT-02.00 in this figure.

Section	Description	Reason for change
4.3.2	**CT-02.03** 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 D~~days. If the SCT was already credited to the Beneficiary's account, 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 immediate positive answer by debiting the account • Decide 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.~~	Redundant wording. Already defined in the first sentence.
4.6.2	AT 03: addition of text in brackets (Mandatory only if the credit transfer includes a non-EEA SEPA country or territory)	
4.6.6	• 47 The fee for the positive answer to a Recall in euro (optional)	The section 4.4 specifies that the Beneficiary Bank can decide to charge a fee (or not) for Recalls.
4.7.1	AT-03: addition of the sentence "This attribute is mandatory if the credit transfer relates to a non-EEA SEPA country or territory."	Add a clarification
5.7	It is a precondition to the Originator Bank's obligations in respect of a Credit Transfer Instruction, that the Beneficiary has provided to the Originator the IBAN and BIC of the Beneficiary's account to be credited when the Originator Bank or the Beneficiary Bank is located in a non-EEA SEPA country.	To adapt the wording taking into account the IBAN-only rule from the SEPA Regulation

7. CHANGE MANAGEMENT PROCESS IN RESPECT OF MINOR CHANGES

7.1. Publication of list of minor changes

The SEMWG had identified certain minor changes which it considered necessary for the Rulebook.

The SEMWG is required under the SMIRs to publish a list of minor changes on the EPC website and to ensure that the list may be viewed by all stakeholders.

This obligation had been met by the publication of the SCT rulebook Change Request Consultation Document (EPC 011-16) on 5 April 2016, and in particular the provisions of section 4 noting certain changes as 'minor' in this specific document.

7.2. Comments on the minor changes during the public consultation

All stakeholders had the opportunity to submit comments on the list of minor changes covered in the SCT rulebook Change Request Consultation Document.

No comments on these minor changes had been received out of this public consultation.

7.3. Submission of the list of minor changes to the SMB

The list of minor changes had been submitted to the SMB via this SCT Change Proposal Submission Document in accordance with section 4.2.5 of the SMIRs.

7.4. Minor changes taken up in the SCT rulebook to take effect in 19 November 2017

Section	Description	Reason for change	Type of Change
2.1	The Scheme is applicable ~~with~~in the countries listed in the EPC List of SEPA Countries~~SEPA as defined by the EPC~~	The EPC does not define SEPA	CLAR
3.1	**The Beneficiary:** is the customer identified in the Credit Transfer Instruction who~~m~~ ~~receives~~ the Funds are sent to~~by means of a credit to its payment account~~.	It can happen that the funds cannot be made available to the beneficiary	CHAN
4	**Removal of the second paragraph:** It is recognised that actors will also be required to establish complementary operational rules and data requirements in relation to the roles they perform and these will be defined separately by those actors.	This paragraph does not provide any business rules relevant to the scheme	CHAN

4.5.1	Attribute 23 The BIC code of the Beneficiary Bank: A remark is added: <u>for DS-01 (customer-to-bank Credit Transfer information), this attribute is only mandatory when Beneficiary Bank is located in a non-EEA SEPA country. This attribute remains mandatory in DS-02 (interbank payment).</u>	Provide more clarity about IBAN-Only	CLAR
4.5.6	**Description:** This dataset contains the messages for the description for sending the answer to a Recall of Credit~~or~~ Transfer Dataset	Creditor is a term used only in the SDD rulebook	TYPO
4.6.1	**Add following text in attribute AT-23:** 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	Provide more clarity about IBAN-Only	CLAR
5.7	• effect exception~~al~~ processing ~~(including all Rejects and Returns in relation to its Originators' accounts)~~ in accordance with the Rulebook.	Remain neutral about exception processing in chapter 5. A section in Chapter 4 is dedicated to such processing.	CHAN
5.8	• effect <u>exception processing</u> ~~all Returns in relation to its Beneficiaries' accounts,~~ in accordance with the Rulebook • validate the syntax of the Credit Transfer Instruction, accept it if it is in accordance with the requirements of the Rulebook, and carry out <u>exception processing in accordance with the Rulebook</u> ~~a Return~~ if it is invalid together with a reason code;	Remain neutral about exception processing in chapter 5. A section in Chapter 4 is dedicated to such processing.	CHAN

ANNEX I

Comments were received from the following contributors during the public consultation.

Input from:	List of contributors
Banking communities or individual banks	1. Bank association of Slovenia 2. Banking & Payments Federation Ireland 3. BNP Paribas 4. CaixaBank Spain 5. Citibank 6. Czech Banking Association 7. Danish bankers association 8. Dutch Payments Association 9. Fédération bancaire française 10. Finnish banking community 11. German Banking Industry Committee (GBIC) and Deutsche Bundesbank 12. Luxembourg bankers' association 13. Nordea Bank 14. Payments UK 15. Polish banks' association 16. Portuguese banking community 17. Slovak banking association 18. Spanish banking community 19. Stuzza Austria
Other stakeholders	1. Austrian Federal Economic Chamber, Division Bank and Insurance 2. BITKOM 3. CLUB SEPA _ France 4. EQUENS SE 5. Erkki I Kolehmainen 6. European Association of Corporate Treasurers 7. Finnish Steering Group for the National ICT Localization Initiative (Kotoistus) 8. Italian Association of Corporate Treasurers 9. Koordinierungsstelle für IT-Standards (KoSIT) 10. Lithuanian Central Bank 11. REWE Group 12. Verband Deutscher Treasurer e.V.