

**CHANGE PROPOSAL SUBMISSION DOCUMENT  
FOLLOWING THE 2016 PUBLIC CONSULTATION  
ON SDD B2B 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 SDD B2B 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



## TABLE OF CONTENTS

### Contents

1.	Foreword: The Principles of SEPA Scheme Development	4
1.1.	EPC rulebook release management - important notice to all SEPA stakeholders	4
1.2.	SEPA payment scheme development: EPC scheme change management .....	4
2.	Executive Summary	6
3.	Overview of change requests submitted for the 2016 public consultation	10
3.1.	Possible recommendations for a change request .....	10
3.2.	Summary of change requests and the expressed support following the public consultation .....	11
3.3.	Summary of changes for inclusion in the next version of the SDD B2B rulebook to be aligned with the SEPA Regulation or with any other relevant EU legislation .....	14
4.	Results from the public consultation with The SEMWG change proposal for the SMB, the SEUF and the ESTF	15
4.1.	# 2: Reference to separate EPC guide on SDD r-transaction reason codes .....	15
4.2.	# 3: Additional r-transaction reasons under 'Return' for AT-R3 .....	17
4.3.	# 4: Inclusion of SDD r-transaction type Reversal and r-transaction reasons .	19
4.4.	# 5: Inclusion of 'Debtor deceased' as r-transaction reason code .....	20
4.5.	# 6: Removal of Annex IX Advance Mandate Information (AMI) .....	22
4.6.	# 7: Review of SDD Annex VII 'e-Mandates' linked to BIC debtor bank .....	23
4.7.	# 8: Mandatory Customer-to-Bank (C2B) Implementation Guidelines (IGs) ...	24
4.8.	# 9: Mandate amendment for change of creditor identifier .....	26
4.9.	# 12: Implementation of the purpose code 'IBAN Check Failed' for all SEPA payments .....	27
4.10.	# 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 .....	28
4.11.	# 14: Assign clear responsibilities to scheme participants and CSMs for executing those SEPA Usage Rules defined in the interbank Implementation Guidelines .....	32
4.12.	# 15: Additional SDD r-tx reason codes for debtor driven reasons-whitelisting .....	34
4.13.	# 16: Extension of the SDD B2B return period with one additional day .....	37
4.14.	# 17: The introduction of LEI in the EPC SEPA schemes .....	40
4.15.	# 18: Request for clarification on the version of the ISO pain messages in the Rulebooks .....	42
4.16.	# 25: Clarification in business requirements for AT-22 for structured remittance info .....	44
4.17.	# 26: Allow contemporaneous presence of Unstructured and Structured remittance info in payment messages .....	48
4.18.	# 27: Additional clarification on the content (with examples) to be inserted in AT-27, AT-37 and AT-39 .....	51
4.19.	# 28: Amendment of attributes present in DS-06 "Bank to Customer Direct Debit Information" and business rules for debtor PSPs .....	53
4.20.	# 31: Extension of the reversal period for the creditor from 5 days to 10 inter-bank business days .....	56
4.21.	# 32: Amendment to Chapter '1.4 Character Set' of the Customer-to-Bank and Inter-Bank IGs .....	58



4.22. # 33: Extension of the SDD B2B return period with one additional day .....	62
4.23. # 34: Make AT-59 'category purpose of the collection' mandatory instead of optional.....	64
4.24. # 36: Amendment to section 2.1 of the Scheme Management Internal Rules (SMIRs).....	65
4.25. # 37: Making storage location for additional customer-to-customer information available outside the payment transaction .....	66
4.26. # 38: Amendments to section 3.2.3.5 of the Scheme Management Internal Rules (SMIRs) and Rulebook section 5.6.....	72
5. Changes pertaining to the impact of the SEPA Regulation or of any other EU Legislation ("Regulatory Change Proposal Submission Document")	73
6. Changes to ensure consistency with the SEPA instant Credit Transfer scheme rulebook	89
7. Change management process in respect of Minor Changes	90
7.1. Publication of list of minor changes .....	90
7.2. Comments on the minor changes during the public consultation .....	90
7.3. Submission of the list of minor changes to the SMB .....	90
7.4. Minor changes taken up in the SDD B2B rulebook to take effect in 19 November 2017 .....	90
Annex I	92

## TABLE OF FIGURES

Figure 1 SEPA scheme rulebook change and release management cycle .....	4
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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), was published on 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).

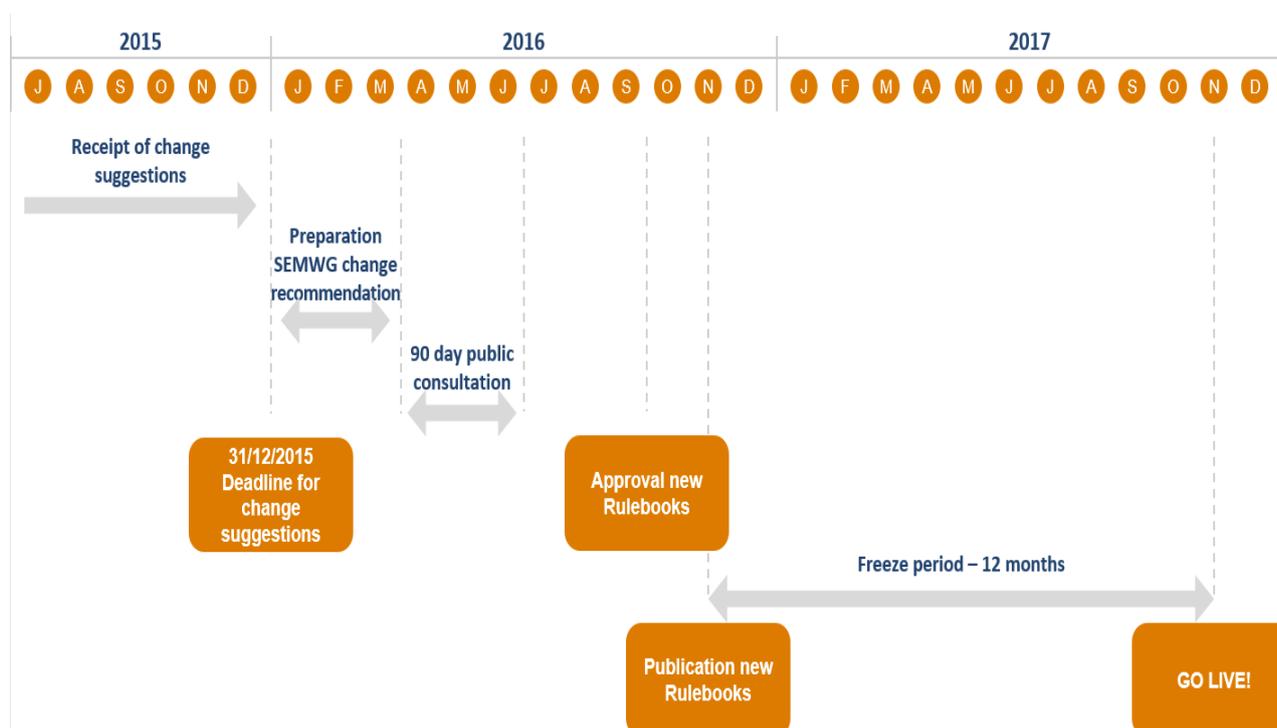


Figure 1 SEPA scheme rulebook change and release management cycle

### 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. EXECUTIVE SUMMARY

This Change Proposal Submission Document (EPC168-16) describes that each stage of the 2016 SDD B2B 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 **26** change requests for major changes to be introduced into the SDD B2B rulebook.

The public consultation on possible modifications to be introduced into the SDD B2B 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 SDD B2B rulebook Change Request Consultation Document (EPC 013-16) and the Response Template (EPC 016-16) 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 SDD B2B rulebook change management process, the SDD B2B rulebook has been updated to include

- A formal reference to the EPC document 'Guidance on Reason Codes for SDD R-transactions' (EPC173-14). The objective is that scheme participants are enabled using without doubt the correct SDD B2B r-transaction codes to maximise the straight-through processing rate of such exceptional transactions and to provide meaningful information up to the Creditor and the Creditor Bank.

Keeping the contents of EPC 173-14 outside the SDD B2B rulebook allows more flexibility for the EPC to provide updated instructions with respect to SDD B2B r-transaction reasons and reason codes on a short notice.

- The extension of the Return period from 2 Interbank Business Days to 3 Interbank Business Days
- Additional reasons under the r-transaction types Reject and Return
- Clarifications in SDD B2B rulebook Annex VII 'e-Mandates' about the provision of the BIC of the Debtor Bank in SDD transactions when the Creditor Bank or the Debtor Bank is located in a non-EEA SEPA country
- 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 SDD B2B.



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.

- Regulatory changes driven by
  - 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
  - The guides for the assessment of direct debit 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.

Furthermore, the 2017 SDD B2B rulebook no longer contains the Annex IX 'Advance Mandate Information' (AMI).

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

<b>Item</b>	<b>Change request title</b>	<b>SMB Decision</b>
2	Reference to separate EPC guide on SDD r-transaction reason codes	For inclusion in the 2017 SDD B2B Rulebook
3	Additional r-transaction reasons under 'Return' for AT-R3	For inclusion in the 2017 SDD B2B Rulebook
4	This suggestion has been withdrawn by the contributor	Not applicable
5	Inclusion of 'Debtor deceased' as r-transaction reason	For inclusion in the 2017 SDD B2B Rulebook
6	Removal of Annex IX Advance Mandate Information (AMI)	Removal of the Annex IX from the 2017 SDD B2B Rulebook
7	Review of SDD Annex VII 'e-Mandates' linked to BIC debtor bank	For inclusion in the 2017 SDD B2B Rulebook
8	Mandatory Customer-to-Bank (C2B) Implementation Guidelines (IGs)	For inclusion in the 2017 SDD B2B Rulebook
9	Mandate amendment for change of creditor identifier	For inclusion in the 2017 SDD B2B Rulebook
12	Implementation of the purpose code 'IBAN Check Failed' for all SEPA payments	Not to be included in the 2017 SDD B2B 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 SDD B2B 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 SDD B2B Rulebook
15	Additional SDD r-tx reason codes for debtor driven reasons-whitelisting	Not to be included in the 2017 SDD B2B Rulebook. The Debtor can already rely



Item	Change request title	SMB Decision
		on other reason codes to block a presented SDD collection (e.g., no mandate, refusal, account blocked for SDD by the Debtor). The Debtor may not be pleased that such SDD r-transaction reasons would be communicated directly to the Creditor.
16	Extension of the SDD B2B return period with one additional day	For inclusion in the 2017 SDD B2B Rulebook
17	The introduction of LEI in the EPC SEPA schemes	Not to be included in the 2017 SDD B2B Rulebook
18	Request for clarification on the version of the ISO pain messages in the Rulebooks	Not to be included in the 2017 SDD B2B Rulebook
25	Clarification in business requirements for AT-22 for structured remittance info	Not to be included in the 2017 SDD B2B 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.
26	Allow contemporaneous presence of Unstructured and Structured remittance info in payment messages	Not to be included in the 2017 SDD B2B 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.
27	Additional clarification on the content (with examples) to be inserted in AT-27, AT-37 and AT-39	Not to be included in the 2017 SDD B2B Rulebook
28	Amendment of attributes present in DS-06 "Bank to Customer Direct Debit Information" and business rules for debtor PSPs	Not to be included in the 2017 SDD B2B Rulebook
31	Extension of the reversal period for the creditor from 5 days to 10 inter-bank business days	Not to be included in the 2017 SDD B2B 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 SDD B2B Rulebook. In 2017, the EPC will analyse the possibilities and the impact of extending the



<b>Item</b>	<b>Change request title</b>	<b>SMB Decision</b>
		number of characters in the SEPA character set for scheme participants and payment end-user groups.
33	Extension of the SDD B2B return period with one additional day	For inclusion in the 2017 SDD B2B Rulebook
34	The category purpose of the credit transfer (AT-45) - collection (AT-59) to become mandatory	Not to be included in the 2017 SDD B2B Rulebook
36	Amendment to section 2.1 of the Scheme Management Internal Rules (SMIRs)	For inclusion in the 2017 SDD B2B Rulebook
37	Making storage location for additional customer-to-customer information available outside the payment transaction	Not to be included in the 2017 SDD B2B 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 SDD B2B Rulebook



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

All change requests to the SDD B2B 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<sup>1</sup> 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<sup>2</sup> 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:
    - The benefits of the new scheme for bank customers are demonstrated prior to the launch of the development phase.

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<sup>1</sup> A scheme participant is a payment service provider which has formally adhered to a SEPA Scheme.

<sup>2</sup> Regulation (EU) No 260/2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No 924/2009



- 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"
2	Reference to separate EPC guide on SDD r-transaction reason codes	Should be incorporated into the scheme - <b>option b</b>	14	1	1
3	Additional r-transaction reasons under 'Return' for AT-R3	Should be incorporated into the scheme - <b>option b</b>	12	4	0
4	This suggestion has been withdrawn by the contributor	WITHDRAWN	WITHDR.	WITHDR.	WITHDR.
5	Inclusion of 'Debtor deceased' as r-transaction reason	Should be incorporated into the scheme - <b>option b</b>	11	3	2
6	Removal of Annex IX Advance Mandate Information (AMI)	Should be incorporated into the scheme - <b>option b</b>	14	1	1
7	Review of SDD Annex VII 'e-Mandates' linked to BIC debtor bank	Should be incorporated into the scheme - <b>option b</b>	15	0	1
8	Mandatory Customer-to-Bank (C2B) Implementation Guidelines (IGs)	Should be incorporated into the scheme - <b>option b</b>	11	3	2
9	Mandate amendment for change of creditor identifier	Should be incorporated into the scheme - <b>option b</b>	15	0	1
12	Implementation of the purpose code 'IBAN Check Failed' for all SEPA payments	Cannot be part of the existing scheme – <b>option e</b>	15	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	<b>No SEMWG recommendation defined</b>	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 – <b>option e</b>	14	1	1
15	Additional SDD r-tx reason codes for debtor driven reasons-whitelisting	Should be incorporated into the scheme - <b>option b</b>	7	8	1
16	Extension of the SDD B2B return period with one additional day	Should be incorporated into the scheme - <b>option b</b>	10	6	0
17	The introduction of LEI in the EPC SEPA schemes	Cannot be part of the existing scheme – <b>option e</b>	14	1	1
18	Request for clarification on the version of the ISO pain messages in the Rulebooks	Cannot be part of the existing scheme – <b>option e</b>	15	0	1
25	Clarification in business requirements for AT-22 for structured remittance info	<b>No SEMWG recommendation defined</b>	Free text input	Free text input	Free text input
26	Allow contemporaneous presence of Unstructured and Structured remittance info in payment messages	Cannot be part of the existing scheme – <b>option e</b>	15	1	0
27	Additional clarification on the content (with examples) to be inserted in AT-27, AT-37 and AT-39	Cannot be part of the existing scheme – <b>option e</b>	15	0	1
28	Amendment of attributes present in DS-06 "Bank to Customer Direct Debit Information" and business rules for debtor PSPs	Should be incorporated into the scheme ( <b>option b</b> ) with the fields as optional attributes.	12	3	1
31	Extension of the reversal period for the creditor from 5 days to 10 inter-bank business days	Cannot be part of the existing scheme – <b>option e</b>	13	1	2
32	Amendment to Chapter '1.4 Character Set' of the Customer-to-Bank and Inter-Bank IGs	Cannot be part of the existing scheme – <b>option e</b>	13	2	1
33	Extension of the SDD B2B return period with one additional day	Should be incorporated into the scheme - <b>option b</b>	10	6	0
34	The category purpose of the credit transfer (AT-45) - collection (AT-59) to become mandatory	Cannot be part of the existing scheme – <b>option e</b>	13	3	0
36	Amendment to section 2.1 of the Scheme Management Internal Rules (SMIRs)	Should be incorporated into the scheme - <b>option b</b>	14	0	2
37	Making storage location for additional customer-to-customer information available outside the payment transaction	Should be incorporated into the scheme - <b>option b</b>	8	7	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 - <b>option b</b>	14	0	2



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"
2	Reference to separate EPC guide on SDD r-transaction reason codes	Should be incorporated into the scheme - <b>option b</b>	9	0	3
3	Additional r-transaction reasons under 'Return' for AT-R3	Should be incorporated into the scheme - <b>option b</b>	8	0	4
4	This suggestion has been withdrawn by the contributor	WITHDRAWN	WITHDR.	WITHDR.	WITHDR.
5	Inclusion of 'Debtor deceased' as r-transaction reason	Should be incorporated into the scheme - <b>option b</b>	8	0	4
6	Removal of Annex IX Advance Mandate Information (AMI)	Should be incorporated into the scheme - <b>option b</b>	7	1	4
7	Review of SDD Annex VII 'e-Mandates' linked to BIC debtor bank	Should be incorporated into the scheme - <b>option b</b>	8	0	4
8	Mandatory Customer-to-Bank (C2B) Implementation Guidelines (IGs)	Should be incorporated into the scheme - <b>option b</b>	9	0	3
9	Mandate amendment for change of creditor identifier	Should be incorporated into the scheme - <b>option b</b>	8	0	4
12	Implementation of the purpose code 'IBAN Check Failed' for all SEPA payments	Cannot be part of the existing scheme – <b>option e</b>	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 – <b>option e</b>	3	2	7
15	Additional SDD r-tx reason codes for debtor driven reasons-whitelisting	Should be incorporated into the scheme - <b>option b</b>	8	1	3
16	Extension of the SDD B2B return period with one additional day	Should be incorporated into the scheme - <b>option b</b>	5	1	6
17	The introduction of LEI in the EPC SEPA schemes	Cannot be part of the existing scheme – <b>option e</b>	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 – <b>option e</b>	3	1	8
25	Clarification in business requirements for AT-22 for structured remittance info	No SEMWG recommendation defined	Free text input	Free text input	Free text input
26	Allow contemporaneous presence of Unstructured and Structured remittance info in payment messages	Cannot be part of the existing scheme – <b>option e</b>	5	4	3
27	Additional clarification on the content (with examples) to be inserted in AT-27, AT-37 and AT-39	Cannot be part of the existing scheme – <b>option e</b>	7	1	4
28	Amendment of attributes present in DS-06 "Bank to Customer Direct Debit Information" and business rules for debtor PSPs	Should be incorporated into the scheme ( <b>option b</b> ) with the fields as optional attributes.	6	1	5
31	Extension of the reversal period for the creditor from 5 days to 10 inter-bank business days	Cannot be part of the existing scheme – <b>option e</b>	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 – <b>option e</b>	4	5	3
33	Extension of the SDD B2B return period with one additional day	Should be incorporated into the scheme - <b>option b</b>	5	1	6
34	The category purpose of the credit transfer (AT-45) - collection (AT-59) to become mandatory	Cannot be part of the existing scheme – <b>option e</b>	5	0	7
36	Amendment to section 2.1 of the Scheme Management Internal Rules (SMIRs)	Should be incorporated into the scheme - <b>option b</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 - <b>option b</b>	1	8	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 - <b>option b</b>	4	0	8



### 3.3. Summary of changes for inclusion in the next version of the SDD B2B rulebook to be aligned with the SEPA Regulation or with any other relevant EU legislation

Ref.	Topic	Contributor	Way forward
	<p><b>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.</b></p> <p><b>An overview of the regulatory changes is available in Chapter 5 of this document.</b></p>		



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

### **4.1. # 2: Reference to separate EPC guide on SDD r-transaction reason codes**

#### **4.1.1. Description**

This change request was made by the SEMWG.

The EPC has published the document 'Guidance on Reason Codes for SDD R-transactions' (EPC173-14 v2.1) on the [EPC website](#). It eases the correct use of the various SDD r-transaction reason codes.

The change request is that the SDD Core and the SDD B2B Rulebooks should formally refer to the document EPC 173-14.

The SDD Core and SDD B2B scheme participants can better monitor the correct use of the various SDD r-transaction reason codes as described in the document EPC 173-14 and adjust, where necessary, their internal processes.

The correct application of these reason codes by a debtor bank, informing a creditor bank, about a failed SDD collection is crucial for the creditor bank and the creditor to understand the cause of an unsuccessful SDD Core or SDD B2B collection and to undertake actions on how to solve the reported issue.

The objective is that scheme participants are enabled using without doubt the correct SDD Core and SDD B2B r-transaction codes to maximise the straight-through processing rate of these exceptional transactions and to provide meaningful information up to the creditor and the creditor bank.

The EPC considers that keeping the contents of EPC 173-14 v2.1 outside the SDD Core and the SDD B2B Rulebooks allows more flexibility for the EPC to provide updated instructions with respect to SDD Core and SDD B2B r-transaction reasons and reason codes on a short notice.

#### **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 SDD B2B Rulebook version 1.0.

##### Explicit public consultation comments received

<b>Contributor</b>	<b>Comments received</b>
Czech Banking Association	NO Current number of reason codes is considered to be sufficient. Due to client privacy more detailed could not be provided.



Contributor	Comments received
BNP Paribas	<p>Yes The EPC should ensure that the EPC Reason codes are used uniformly across the SEPA area. Referring to the EPC guide directly in the rulebook will help awareness.</p> <p>In a further stage, we would also prefer to see the list of codes directly in the rulebook</p>
CLUB SEPA _ France	<p>YES importance to consolidate in a unique document all the information related to one scheme: RB, clarification paper, guide. At the end, RB are the master document.</p>
Verenigde Groot Incassanten (VGI). (Dutch Association of Large SDD users)	<p>YES As a creditor, our organisation, strongly agrees with the proposed change. Crucial, however, is the actual implementation of these standard R codes by the banks. The current practice where R codes are not yet used in a standardized manner leaves room for efficiency improvement. The current implementation causes for manual interpretation due to the fact that banks combine two or more causes of a failed transaction by using a single R code. Especially large creditors have a strong need for an unique R code which will enable automated processing. The individual banks will be able to demonstrate their customer centric focus by maximising the usage of the SEPA standard individual R codes, when bearing in mind that in the payments eco-system, creditors are affected by the behaviour of all debtor banks. A creditor can have its clients among all debtor banks.</p>

#### 4.1.4.SMB decision

For inclusion in the 2017 SDD B2B Rulebook.



## 4.2. # 3: Additional r-transaction reasons under 'Return' for AT-R3

### 4.2.1. Description

This change request was made by the SEMWG.

The SDD Core and the SDD B2B rulebooks list under attributes AT-R3 (refer to section 4.8.53 in SDD Core Rulebook and to section 4.8.51 in SDD B2B Rulebook) a number of r-transaction reasons under the r-transactions types Rejects and Returns when a SDD Core or SDD B2B collection has not been successfully completed.

Both SDD rulebooks specify that the r-transaction reasons 'Bank identifier incorrect (i.e. invalid BIC)' and 'Operation code/transaction code/sequence type incorrect, invalid File format' can only be used to **reject** a SDD collection (i.e. the collection diverted from normal execution, prior to interbank settlement) but not to return a SDD collection (i.e. after interbank settlement).

However, it may occur that the final SDD settlement files contain valid IBANs but the BIC related to these IBANs do not belong to the debtor bank, a collection indicates 'Recurrent' even though the mandate indicated a 'One-off' SDD collection or the identification code of the scheme specified in the message is incorrect.

The SCT rulebook already allows the use of the r-transaction reason 'Bank identifier incorrect (i.e. invalid BIC)' for both rejecting and returning a SCT transaction (see AT-R3 in section 4.6 of the SCT Rulebook).

The EPC proposes to foresee the use of the r-transaction reasons 'Bank identifier incorrect (i.e. invalid BIC)' and 'Operation code/transaction code/sequence type incorrect, invalid File format' also for returning a SDD collection. The ISO reason codes RC01 and AG02 can be used.

### 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 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 SDD B2B Rulebook version 1.0.

#### Explicit public consultation comments received

Contributor	Comments received
Czech Banking Association	NO Such situation should not appear at all.



Contributor	Comments received
Spanish banking community	NO Cannot be part of the existing scheme - option e. The reason code AG02 as for the sequence type loses its importance from Rulebook 2016. Therefore it's no longer necessary as for a return. As for the BIC, if the debtor bank has already been able to accept the debit, the reason code ""AC01"" Invalid IBAN is meaningful when this IBAN would not be correct for that debtor bank.
Bank association of Slovenia	NO Such reasons for returns of SDD as listed in change request are not acceptable for us. Controls over SDD transactions should be done before settlement and in such cases rejected.
BNP Paribas	Yes We agree as this optimises the reason codes list
Slovak banking association	<p>NO We do NOT support any additional r-transaction reason under Return (mainly when the reason is known by the Debtor´s Bank immediately after receiving such Return).</p> <p>Debtor´s Bank should always use REJECT to inform about disallowed B2B SDD. Return should be used minimally, only in special cases (error/mistake on the Bank´s side, bank holidays).</p> <p>Cases where Reject should be used: formal error, sequence differences, non-existing/blocked/closed account, incorrect BIC.</p>
Verenigde Groot Incassanten (VGI). (Dutch Association of Large SDD users)	YES under the assumption that there is no impact at creditor level.

#### 4.2.4.SMB decision

For inclusion in the 2017 SDD B2B Rulebook.



#### 4.3. # 4: Inclusion of SDD r-transaction type Reversal and r-transaction reasons

##### 4.3.1. Description

This change request has been withdrawn.



#### 4.4. # 5: Inclusion of 'Debtor deceased' as r-transaction reason code

##### 4.4.1. Description

This change request was made by the SEMWG.

The SDD B2B scheme caters for business customers whereby the debtor has to be a non-consumer. From this angle, the assumption could be made that SDD B2B debtors can only be legal entities.

However, national legislation in certain SEPA countries allow that physical persons performing certain professions or persons owning or representing a company which has no legal entity status, can be counted as business customers.

The SDD B2B rulebook describes in the section 4.8.51 the attribute AT-R3 which lists the SDD r-transaction reasons for various r-transaction types. Unlike for SDD Core, the r-transaction reason 'Debtor deceased' is not foreseen in the SDD B2B rulebook.

The EPC proposes to include the r-transaction reason 'Debtor deceased' in the SDD B2B rulebook in order that the debtor bank can report the non-acceptance of a SDD B2B collection in case the debtor died and had signed a SDD B2B mandate in her/her capacity as business customer.

##### 4.4.2. SEMWG analysis and recommendation for the public consultation

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

##### 4.4.3. 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.

Therefore, the SEMWG proposes to include this change request in the 2017 SDD B2B Rulebook version 1.0.

###### Explicit public consultation comments received

Contributor	Comments received
Czech Banking Association	NO Does not make sense.
German Banking Industry Committee (GBIC) and Deutsche Bundesbank	YES Note: There is a correction of document EPC173-14 V2.1 Guidance on Reason Codes for SDD R-transactions necessary which prohibits in the description of MS07 the use of the code for B2B collections.
Danish bankers' association	NO We find this suggestion slightly odd and think the situation should be handled using other reason codes.
Payments UK	YES Subject to the local regulation and data protection restrictions (eg in Germany, Luxembourg and Slovakia).



<b>Contributor</b>	<b>Comments received</b>
Verenigde Groot Incassanten (VGI). (Dutch Association of Large SDD users)	YES VGI supports the use of unique R codes.

#### **4.4.4. SMB decision**

For inclusion in the 2017 SDD B2B Rulebook.



## 4.5. # 6: Removal of Annex IX Advance Mandate Information (AMI)

### 4.5.1. Description

This change request was made by the SEMWG.

The annex IX 'Advance Mandate Information' (AMI) had been added as an option in the SDD Core rulebook version 5.0 and in the SDD B2B rulebook version 3.0. Both rulebook versions were published in November 2010 with an effectiveness date of 19 November 2011.

More than five years after the publication of Annex IX as an option to the two SDD rulebooks, none of the SDD scheme participants have informed the EPC directly that they used this option at a given moment in the past years, or that they currently use it or that they intend to use it in the future. Feedback received from the members of the SEMWG in October 2015 highlighted that no SDD scheme participant currently uses this option. There is no market demand for this option.

Based on this input, the EPC proposes to remove Annex IX completely from the two SDD rulebooks.

### 4.5.2. SEMWG analysis and recommendation for the public consultation

The SEMWG suggests removing the annex IX from the Scheme (**option b**).

### 4.5.3. 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 remove the Annex IX Advance Mandate Information (AMI) from the 2017 SDD B2B Rulebook version 1.0.

#### Explicit public consultation comments received

Contributor	Comments received
Bank association of Slovenia	NO Might be useful in the future.
BNP Paribas	Yes We confirm there is no take-up for this feature
Verenigde Groot Incassanten (VGI). (Dutch Association of Large SDD users)	NO Might become relevant in the future

### 4.5.4. SMB decision

Removal of the Annex IX from the 2017 SDD B2B Rulebook.



## 4.6. # 7: Review of SDD Annex VII 'e-Mandates' linked to BIC debtor bank

### 4.6.1. Description

This change request was made by the SEMWG.

The delivery of the BIC of the Debtor Bank in SDD transactions is optional as of 1 February 2016 when the Creditor Bank and the Debtor Bank are based in different countries of the EEA.

This means that as of the above-mentioned respective dates and cases, the debtor does not need to mention the BIC of the payment service provider (PSP) holding his/her payment account, on a SDD Core or SDD B2B mandate.

The provision of the BIC of the Debtor Bank in SDD transactions remains mandatory when the Creditor Bank or the Debtor Bank is located in a non-EEA SEPA country. In this case, the debtor will still have to provide the BIC of the PSP holding his/her payment account, on the SDD Core or SDD B2B mandate.

With respect above-mentioned changes in the provision of the BIC of the debtor bank, the EPC has done a review of Annex VII describing the 'e-Mandate' option for the two SDD rulebooks and proposes a number of changes to the Annex VII.

### 4.6.2. SEMWG analysis and recommendation for the public consultation

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

### 4.6.3. 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 SDD Core Rulebook version 1.0.

#### Explicit public consultation comments received

Contributor	Comments received
Czech Banking Association	YES However, more details for proposed changes should be delivered.

### 4.6.4. SMB decision

For inclusion in the 2017 SDD B2B Rulebook.



## 4.7. # 8: Mandatory Customer-to-Bank (C2B) Implementation Guidelines (IGs)

### 4.7.1. 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.

Creditor banks would still be free to agree with their creditors 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.

### 4.7.2. SEMWG analysis and recommendation for the public consultation

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

### 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 can be part of the scheme.

Therefore, the SEMWG proposes to include this change request in the 2017 SDD B2B Rulebook version 1.0.

#### Explicit public consultation comments received

Contributor	Comments received
Finnish banking community	No C2B should remain in competitive space for the banks



<b>Contributor</b>	<b>Comments received</b>
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 Comments as under SCT
Nordea Bank	YES Comments as under SCT
CLUB SEPA _ France	YES the C2B space is outside the scope of the EPC : mandatory C2B IG could only be decided by ERPB : this would be a good thing for both customers and PSP
Italian Association of Corporate Treasurers	YES Standardization in the dialogue between PSP and Coporates 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.

#### **4.7.4.SMB decision**

For inclusion in the 2017 SDD B2B Rulebook.



## **4.8. # 9: Mandate amendment for change of creditor identifier**

### **4.8.1. Description**

This change request was made by the SEMWG.

Section 4.6.2 of both SDD rulebooks describes the mandate amendment process (PR-02). The attribute AT-24 in section 4.8 lists the reasons for such a mandate amendment.

Comparing the process step PT-02.02 under section 4.6.2 with AT-24, a terminology inconsistency is noted. The use of the different terms “identity” and “identifier” may cause confusion. The change request is to change the wording in the process step PT-02.02 under section 4.6.2.

### **4.8.2. SEMWG analysis and recommendation for the public consultation**

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

### **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 can be part of the scheme.

Therefore, the SEMWG proposes to include this change request in the 2017 SDD B2B Rulebook version 1.0.

#### Explicit public consultation comments received

No comments have been made.

### **4.8.4. SMB decision**

For inclusion in the 2017 SDD B2B Rulebook.



## 4.9. # 12: Implementation of the purpose code 'IBAN Check Failed' for all SEPA payments

### 4.9.1. 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.

### 4.9.2. 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.

### 4.9.3. 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 SDD B2B Rulebook version 1.0.

#### Explicit public consultation comments received

Contributor	Comments received
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

### 4.9.4. SMB decision

Not to be included in the 2017 SDD B2B Rulebook.



#### **4.10. # 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**

##### **4.10.1. 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 change request** 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 change request** 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 AdditionalInformation must be present. If the reason code is not NARR, then AdditionalInformation 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.

##### **4.10.2. 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.

##### **4.10.3. 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 SDD B2B 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

<b>Contributor</b>	<b>Comments received</b>
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. We think it is not necessary and it would create more complexity.
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 SDD B2B #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 reasoncodes can be introduced. Dutch banks emphasize their opposition against reasoncodes 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 proposed change.
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 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



Contributor	Comments received
Portuguese banking community	A common validation should be addressed at CSMs level
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.
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.
Payments UK	<p>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.</p> <p>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 affected the reconciliation process on client side. "</p>
Austrian Federal Economic Chamber, Division Bank and Insurance	We don't support this request.
CLUB SEPA _ France	Harmonization between clearing layer and payment 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
BITKOM	Option b, we support this CR for first suggestion, i.e. explicit reason codes CNOR, DNOR, DT01 and ED05.



<b>Contributor</b>	<b>Comments received</b>
Verenigde Groot Incassanten (VGI). (Dutch Association of Large SDD users)	Yes, if this change will improve the efficiency of the CSM layer it will be possible to have a more cost efficient ecosystem.

#### **4.10.4. SMB decision**

Not to be included in the 2017 SDD B2B Rulebook.



#### **4.11. # 14: Assign clear responsibilities to scheme participants and CSMs for executing those SEPA Usage Rules defined in the interbank Implementation Guidelines**

##### **4.11.1. 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).

##### **4.11.2. 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.

##### **4.11.3. SEMWG change proposal and explicit public consultation comments received**

###### SEMWG change proposal

A vast 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. The views of the other contributors are mixed on this change request.

In consideration of the overall comments received, the SEMWG proposes not to include this change request in the 2017 SDD B2B 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

<b>Contributor</b>	<b>Comments received</b>
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 (for example: implemented controls for processing R-transactions).



<b>Contributor</b>	<b>Comments received</b>
German Banking Industry Committee (GBIC) and Deutsche Bundesbank	YES Should be further discussed in the ESTF.
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.
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.
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.
Verenigde Groot Incassanten (VGI). (Dutch Association of Large SDD users)	YES if this change will improve the efficiency of the CSM layer it will be possible to have a more cost efficient eco-system.

#### **4.11.4. SMB decision**

Not to be included in the 2017 SDD B2B Rulebook.



## 4.12. # 15: Additional SDD r-tx reason codes for debtor driven reasons-whitelisting

### 4.12.1. Description

This change request was made by the Dutch Payments Association.

The SEPA regulation has made it obligatory to offer the debtor the option to be able to block his account for direct debit transactions if:

- Whitelist in use; creditor / mandate not (properly) listed
- Creditor blocked
- Maximum number of direct debit transactions within certain period is exceeded by the creditor
- Transaction exceeds maximum amount

Creditors have requested their creditor banks to be informed in more detail when direct debit transactions are returned based on parameters set by the debtor. In case of a rejected direct debit collection, the creditor wants to be able to communicate this with the debtor based on the specific parameter set by the debtor. This requires more detailed information than presently via the reason code SL01. Debtor banks must be able to report more specific reason codes where today only SL01 is available.

The contributor suggests introducing a new reason code in the Rulebook in order that all parties (in the 4-corner model) can be informed more appropriately to be able to act in line with the parameter used. This code, to be used by debtor banks, will identify the following reason:

SL14	Maximum Direct Debit Transaction Amount exceeded	Due to Maximum allowed Direct Debit Transaction amount service offered by the Debtor Agent
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### 4.12.2. SEMWG analysis and recommendation for the public consultation

The SEMWG suggests incorporating the change request into the Scheme (**option b**) provided that Debtor Banks are allowed to mention such specific reason code under national data protection laws and/or that debtor banks are technically capable to transmit a more detailed reason code than just SL01.

### 4.12.3. SEMWG change proposal and explicit public consultation comments received

#### SEMWG change proposal

The views of the EPC scheme participants (via national banking communities or via individual comments) are mixed on this change request. 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 SDD B2B Rulebook version 1.0.



Explicit public consultation comments received

<b>Contributor</b>	<b>Comments received</b>
Stuzza Austria	NO We don't see a need and it makes the whole process more complicated.
Czech Banking Association	NO Sufficient number of reason codes already exists. Reason code is used when debtor's bank is missing debtor's mandate.
Spanish banking community	NO Cannot be part of the existing scheme - option e. We think it is not necessary and it would create more complexity to PSPs.
Dutch payments association	YES Supports recommendation EPC. Debtor Banks may and can transmit more detailed reason codes than just SL01. On basis on these specific parameter received from the debtors, creditors are able to communicate more accurate with their clients/debtors.
Bank association of Slovenia	NO Existing codes are enough.
German Banking Industry Committee (GBIC) and Deutsche Bundesbank	NO Should not be incorporated into the Scheme.
Fédération bancaire française	NO These 4 new reasons concern specific demands made by the debtor to his bank. These reasons concern the way the debtor manages his account and he could disagree to communicate such details to his creditor. That's why we think SL01 is well adapted in these cases.
BNP Paribas	No The 4 proposed codes are targeting only few of the cases where an opposition of the debtor is performed. Mainly the limit on amount can be put for a particular account, but also for a particular creditor or mandate. The period may also be adapted. Therefore introduction of the proposed codes may lead to confusion, especially for what concerns maximum amounts reached.
Luxembourg bankers' association	NO Due to data protection law, the debtor bank is not authorised to transmit such information.
Austrian Federal Economic Chamber, Division Bank and Insurance	NO We don't see a need and it makes the whole process more complicated.



<b>Contributor</b>	<b>Comments received</b>
Verenigde Groot Incassanten (VGI). (Dutch Association of Large SDD users)	YES As a creditor, our organisation, strongly agrees with the proposed change. Crucial, however, is the actual implementation of these standard R codes by the banks. The current practice where R codes are not yet used in a standardized manner leaves room for efficiency improvement. The current implementation causes for manual interpretation due to the fact that banks combine two or more causes of a failed transaction by using a single R code. Especially large creditors have a strong need for an unique R code which will enable automated processing. The individual banks will be able to demonstrate their customer centric focus by maximising the usage of the SEPA standard individual R codes, when bearing in mind that in the payments eco-system, creditors are affected by the behaviour of all debtor banks. A creditor can have its clients among all debtor banks.

#### **4.12.4. SMB decision**

Not to be included in the 2017 SDD B2B Rulebook.

The Debtor can already rely on other reason codes to block a presented SDD collection (e.g., no mandate, refusal, account blocked for SDD by the Debtor). The Debtor may not be pleased that such SDD r-transaction reasons would be communicated directly to the Creditor.



#### 4.13. # 16: Extension of the SDD B2B return period with one additional day

##### 4.13.1. Description

This change request was made by the French banking community.

The SDD B2B scheme caters for business customers whereby the debtor and the creditor are non-consumers.

If for any reason the Debtor Bank cannot debit the account, the instruction must be returned to the CSM with the reasons for the Return within 2 Inter-Bank Business Days.

It is very difficult to deal with all cases of SDD B2B Returns within 2 Inter-Bank Business Days. Depending on the organization of the PSP, some decisions may imply a human intervention (return for insufficient fund for instance). As the volumes of SDD B2B are growing, the 2 days duration is sometimes not enough. It is especially the case when one of the 2 Inter-Bank Business Days is not a working day in the concerned country of the debtor bank and/or the branch is closed once a week.

Succeeding in contacting the debtor to avoid the Returns is very important for both parties of the transaction.

- By decreasing the number of SDD B2B Returns, the creditors will be paid faster because they will not have to represent the transaction
- Having more time to inform the customer of a waiting debit may avoid him from late payment penalties and from a lot of troubles with his creditors such as Administrations or Treasury Department.

The contributor proposes to include one additional day for the SDD B2B Return to provide the debtor bank sufficient time to contact its customer and take with him the best decision concerning the payment. The Debtor Bank should have to send the Returned Collection back to the CSM within 3 Inter-Bank Business Days.

##### 4.13.2. SEMWG analysis and recommendation for the public consultation

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

##### 4.13.3. SEMWG change proposal and explicit public consultation comments received

###### SEMWG change proposal

There is a majority among the EPC scheme participants (via national banking communities or via individual comments) in favour of this change request. A large number of the other contributors do support the change request.

In consideration of the overall comments received, the SEMWG proposes to include this change request in the 2017 SDD B2B Rulebook version 1.0.

###### Explicit public consultation comments received

Contributor	Comments received
Stuzza Austria	YES Incorporation in 2017
Czech Banking Association	NO Even 2 business days are causing problems for creditors.



Contributor	Comments received
Dutch payments association	<p>NO DPA doesn't support this change proposal.</p> <p>Both Creditors as well as Debtors are demanding for a short timeline for Returns for non-refundable B2B-transactions.</p> <p>At the introduction of the SDD B2B Rulebook we already agreed on a longer timeline from D+1 to D+2. The irrevocable payment guarantee of the SDD B2B Scheme is essential for the B2B-market.</p>
Bank association of Slovenia	<p>NO We do not agree with the extension of the SDD B2B return period.</p>
Portuguese banking community	<p>NO No. This is totally against of what should be a No Refund Scheme, including the certainty that the Creditor expects from using this scheme to make use of the funds as soon as possible.</p>
BNP Paribas	<p>No The specific advantage of the B2B scheme is to provide certainty on collections as soon as possible and without refunds. Therefore it is not indicated to prolong the return period.</p>
Slovak banking association	<p>NO Return in B2B Scheme should be used only in cases when Reject is not possible (e.g. local bank holidays). One day for Return (D+1) should be enough. We would like to alert to a very high fraud potential concerning with the 3 days&gt;Returns. The potential fraudulent Creditors have an information which Debtor Banks always use the return period (e.g. for obtaining the Debtors permission to debit his account). Three days return time period (this time period starts from the settlement day (Due Date) when the Creditor receive the credit on his account) will be long enough for Creditors to realize payments to another account(s) – maybe outside EEA. So the Return will be loss for the Creditor Bank.</p> <p>""Returns must be executed by the Debtor Bank as soon as possible and ideally by day D."" (SEPA B2B Direct Debit Scheme Rulebook Version 7.2, page 28). ""The Debtor Bank shall obtain confirmation from the Debtor on the accuracy of the B2B Mandate data received as part of the first Collection before debiting the Debtor´s account."" (SEPA B2B Direct Debit Scheme Rulebook Version 7.2, page 82). ""When correspondence is found, the Debtor Bank may debit the account of the Debtor for the amount of the instruction on the Due Date specified ..."" (SEPA B2B Direct Debit Scheme Rulebook Version 7.2, page 48).</p>



<b>Contributor</b>	<b>Comments received</b>
Austrian Federal Economic Chamber, Division Bank and Insurance	YES Incorporation in 2017
Verenigde Groot Incassanten (VGI). (Dutch Association of Large SDD users)	NO No option. Should stay a maximum of 2 days which are used by all banks. Instant payments are the future standard.

#### **4.13.4. SMB decision**

For inclusion in the 2017 SDD B2B Rulebook.



#### **4.14. # 17: The introduction of LEI in the EPC SEPA schemes**

##### **4.14.1. 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.

##### **4.14.2. 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.

##### **4.14.3. 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 SDD B2B Rulebook version 1.0.

### Explicit public consultation comments received

<b>Contributor</b>	<b>Comments received</b>
Stuzza Austria	YES There is no need from our point of view to have the LEI in addition to the CID.
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.
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 seems 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 seems inappropriate to cover all companies involved.

#### **4.14.4. SMB decision**

Not to be included in the 2017 SDD B2B Rulebook.



#### **4.15. # 18: Request for clarification on the version of the ISO pain messages in the Rulebooks**

##### **4.15.1. 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 illustrates with some examples the issue.

##### **4.15.2. 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 4.7 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.

##### **4.15.3. 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 SDD B2B Rulebook version 1.0.



#### Explicit public consultation comments received

<b>Contributor</b>	<b>Comments received</b>
BNP Paribas	Yes Customer-to-bank guidelines are known as recommended but not mandatory. We support the version pain.008.001.02 usage as the best practice for SDD initiation.
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.

#### **4.15.4. SMB decision**

Not to be included in the 2017 SDD B2B Rulebook.



## **4.16. # 25: Clarification in business requirements for AT-22 for structured remittance info**

### **4.16.1. 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-22 - The Remittance Information sent by the Creditor to the Debtor in the Collection – 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 debtor only when electronic means in the debtor bank-to- customer space are used, such as in electronic statements of account or other electronic formats using the data set DS-06 - Bank to customer Direct Debit 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 debtor 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 debtor bank may drop the received “Structured Machine to Machine Remittance Information” and not make it available to a debtor who is connected with an interface which does not comply with the ISO 20022 XML standard.

### **4.16.2. 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.

### **4.16.3. 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. The views of the other contributors are mixed on this change request.

In consideration of the overall comments received, the SEMWG proposes not to include this change request in the 2017 SDD B2B Rulebook version 1.0.



Explicit public consultation comments received

<b>Contributor</b>	<b>Comments received</b>
Stuzza Austria	We don't support this request.
Czech Banking Association	No, not required.
Spanish banking community	Cannot be part of the existing scheme - option e. We think it is not necessary and it would create more complexity.
Finnish banking community	No need for a change.
Dutch payments association	DPA strongly objects against adding a specific new attribute code in AT-22 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-22
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 a creditor 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 debtor 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."
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.
Luxembourg bankers' association	We do not support this CR because of no real added value.



Contributor	Comments received
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	<p>Agree in principle to the field differentiation between Unstructured Remittance Information which would be included on a paper statement versus Structured Machine to Machine Remittance Information which would be optionally included on the statement. However, this would impact the end to end reconciliation process and customer reports in the B2C space and the main ERP providers (SAP, Sage, etc...) are not yet able to manage "Structured Machine to Machine Remittance Information".</p> <p>This change will have an impact on the existing SEPA rule applied by the Beneficiary bank where the remittance information (either 'Structured' or 'Unstructured' may be present).</p>
Austrian Federal Economic Chamber, Division Bank and Insurance	We don't support this request.
CLUB SEPA _ France	no market demand has been identified to talk about "structured machine to machine remittance information". What will be the machine?
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 particular in the PSP to Corporate reporting.
BITKOM	<p>Option b, we support this CR.</p> <p>A larger remittance information is needed, especially with structured data. The renaming emphasizes the machine-2-machine nature of the structured part.</p> <p>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"".</p> <p>Please note, we see this CR only useful if it is agreed in the block #25, #26.</p>



<b>Contributor</b>	<b>Comments received</b>
Verenigde Groot Incassanten (VGI). (Dutch Association of Large SDD users)	Impact and business use not clear.
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 by payment service providers and users
Verband Deutscher Treasurer e.V.	We support the change request. Gives better clarification when structured remittance information (machine to machine) is used.

#### **4.16.4. SMB decision**

Not to be included in the 2017 SDD B2B 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.



## 4.17. # 26: Allow contemporaneous presence of Unstructured and Structured remittance info in payment messages

### 4.17.1. 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 creditor to the debtor.

Currently, the business requirements in the Rulebook for Attribute AT-22 - The Remittance Information sent by the Creditor to the Debtor in the Collection - and Implementation Guidelines indicate that either 'Structured' or 'Unstructured' remittance information may be present.

Creditors should be able to insert and banks to transfer to debtors 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.

### 4.17.2. 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.

### 4.17.3. 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) 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 **SCT** 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 SDD B2B Rulebook version 1.0.

Explicit public consultation comments received

<b>Contributor</b>	<b>Comments received</b>
Stuzza Austria	YES We do not see a demand and the consequence of the implementation is a huge effort for all involved parties.
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.
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.
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 #25, #26.
Verenigde Groot Incassanten (VGI). (Dutch Association of Large SDD users)	YES It is suggested to solve this issue by using unique R codes. The argument used by the SEMWG "that currently there is no market demand" raises concern. As also indicated that the vast majority of this WG is representing the banking communities, it is hoped for that the assessment of proposed changes is conducted in such a manner that the interests of all parties involved in the payments eco system are incorporated.



Contributor	Comments received
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. 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
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.

#### 4.17.4. SMB decision

Not to be included in the 2017 SDD B2B 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.



#### 4.18. # 27: Additional clarification on the content (with examples) to be inserted in AT-27, AT-37 and AT-39

##### 4.18.1. 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-27, AT-37 and AT-39. They are used to identify counterparties involved in the payment:

- AT-27 Debtor Identification Code
- AT-37 The identification code of the Debtor Reference Party
- AT-39 The identification code of the Creditor Reference Party

These attributes refer to elements of the ISO 20022 standard designed to transfer information (codes) 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 creditor 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 creditor in the payment initiation message.

For attributes AT-27 and AT-37:

*“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 attribute AT-39:

*“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.”*

##### 4.18.2. 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.

##### 4.18.3. SEMWG change proposal and explicit public consultation comments received



### SEMWWG 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 SEMWWG recommendation that this change request cannot be part of the scheme.

Therefore, the SEMWWG proposes not to include this change request in the 2017 SDD B2B Rulebook version 1.0. The SEMWWG 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

<b>Contributor</b>	<b>Comments received</b>
BNP Paribas	yes This information is linked to the local practices, therefore we support the position of the SEMWWG 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.
CLUB SEPA _ France	YES it would be useful to have a unique document instead of dispatching information in different supports (RB, clarification paper, guide)
Verenigde Groot Incassanten (VGI). (Dutch Association of Large SDD users)	NO This will improve possibilities for Straight Trough Processing for both debtors and creditors. Due to the same reason as mentioned in the comment of CR 26 this assessment also raises concern.

#### **4.18.4. SMB decision**

Not to be included in the 2017 SDD B2B Rulebook.



#### **4.19. # 28: Amendment of attributes present in DS-06 "Bank to Customer Direct Debit Information" and business rules for debtor PSPs**

##### **4.19.1. Description**

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

The contributor suggests amendments to the attributes present in Data Set DS-06 - Bank to Customer Direct Debit Information and business rules for debtor PSPs.

Currently it is not mandatory to transmit from the debtor bank to the debtor the attributes below (if present in Data Sets DS-03 and DS-04):

- AT-05 The address of the Creditor
- AT-15 The name of the Debtor Reference Party
- AT-18 The identifier of the original Creditor who issued the Mandate
- AT-37 The identification code of the Debtor Reference Party
- AT-38 The name of the Creditor Reference Party
- AT-39 The identification code of the Creditor Reference Party
- AT-58 The purpose of the Collection

These attributes are designed to transfer useful information for the automatic and straight-through-processing identification of the counterparties involved in the payment.

To facilitate the collection reconciliation by the debtor if any of such information is inserted by the creditor in the collection (therefore present in DS-03), it must be transferred to the debtor in the messages used to transmit the DS-06.

The concrete change request is to amend the Rulebook so that where any of the above attributes is present in an interbank payment message (DS-04), the contents must be made available in full by the debtor bank to the debtor, subject to any prior agreement to the contrary.

A debtor bank may drop the received extended reference party information (attributes 15, 18, 37, 38, 39 and 58) and not make it available to a debtor in case the debtor uses an interface which does not comply with the ISO 20022 XML standard.

##### **4.19.2. SEMWG analysis and recommendation for the public consultation**

The SEMWG suggests incorporating the change request into the Scheme (**option b**) with these fields as optional attributes.

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

##### **4.19.3. 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 Debtor via the Debtor Bank located in a SEPA country different than the country of the Creditor 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 Debtor Bank is able to comply with the national data protection legislation to be respected by the Creditor Bank. Including this change request would create fragmentation in the delivery of bank-to-customer direct debit information among the SEPA countries.

Therefore, the SEMWG proposes not to include this change request in the 2017 SDD B2B Rulebook version 1.0.

#### Explicit public consultation comments received

<b>Contributor</b>	<b>Comments received</b>
Stuzza Austria	NO Should not be included in the Rulebook - can be included in the clarification paper.
Spanish banking community	NO Cannot be part of the existing scheme - option e. We think it is not necessary and it would create more complexity.
German Banking Industry Committee (GBIC) and Deutsche Bundesbank	NO Should not be incorporated into the Scheme.
BNP Paribas	Yes The rulebook currently indicates which elements must be made available to the debtor, no matter the reporting type. Introducing new elements with an exception depending on the ""compliance with XML ISO20022"" would lead to confusion.  The availability of the elements that are not in the current rulebook should be subject to the agreement between the debtor and his bank.
Luxembourg bankers' association	YES We support this CR; The fields will be made available only for debtors receiving an XML reporting.
Austrian Federal Economic Chamber, Division Bank and Insurance	NO Should not be included in the Rulebook - can be included in the clarification paper.
EQUENS SE	NO OPINION: Equens is not impacted by this change. However we expect a high effort for implementation at bank side



<b>Contributor</b>	<b>Comments received</b>
Verenigde Groot Incassanten (VGI). (Dutch Association of Large SDD users)	YES Only when optional, not mandatory.

#### **4.19.4. SMB decision**

Not to be included in the 2017 SDD B2B Rulebook.



## 4.20. # 31: Extension of the reversal period for the creditor from 5 days to 10 inter-bank business days

### 4.20.1. Description

This change request was made by the Spanish banking community.

The SDD B2B Rulebook states that reversals may only be processed from settlement date and within the five Inter-Bank Business Days following the Due Date requested in the original collection. Later presentations must not be processed by the Creditor Bank or CSMS mandated to act as such and the Debtor Bank must be so informed.

The contributor proposes to extend the reversal period for the creditor from the current five days to ten inter-bank business days.

### 4.20.2. SEMWG analysis and recommendation for the public consultation

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

The need to do a reversal is due to an error by the Creditor. Extending the timespan to 10 days in which a reversal can be done will cause conflicts with other r-transaction types. It is expected that the Creditor rectifies its error as soon as possible. The Creditor may agree with the Debtor to recover the funds outside of the scheme (e.g., by credit transfer).

### 4.20.3. 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 SDD B2B Rulebook version 1.0.

#### Explicit public consultation comments received

Contributor	Comments received
Spanish banking community	NO Should be incorporated into the scheme - option b. 5 interbank days is too short for the creditor to detect all mistakes. Experience shows that it's actually a very short time period to take action. Certainly a reversal may cause conflict with a return/refund, but this is currently happening with the current period. As this situation should have already been technically solved, an extended period should not pose any further problem. The solution of bilateral agreement between creditor and debtor (e.g. credit transfer) it's often not feasible because of huge number of debtors involved, or the risk of receiving a refund while the credit transfer has been submitted. It would reduce manual handling.



<b>Contributor</b>	<b>Comments received</b>
Portuguese banking community	YES The Portuguese Community supports the feature as in Portugal we have a reversal period for 47 inter-bank business days
BNP Paribas	No opinion Conflicts with other R-transactions doesn't seem relevant for B2B.

#### **4.20.4. SMB decision**

Not to be included in the 2017 SDD B2B Rulebook.



## 4.21. # 32: Amendment to Chapter '1.4 Character Set' of the Customer-to-Bank and Inter-Bank IGs

### 4.21.1. 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 Debtor Bank. The Debtor 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.

### 4.21.2. 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.

### 4.21.3. 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. The views of the other contributors are mixed on this change request.

In consideration of the overall comments received, the SEMWG proposes not to include this change request in the 2017 SDD B2B 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 Comments as under SCT
Nordea Bank	YES Comments as under SCT
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.
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.



Contributor	Comments received
	<p>This is standard for airplane tickets (even for Arabic...): See <a href="http://www.icao.int/publications/Documents/9303_p3_cons_en.pdf">http://www.icao.int/publications/Documents/9303_p3_cons_en.pdf</a> (page 70: VIZ versus MRZ, see also Table 6, page 30)</p>
<p>Finnish Steering Group for the National ICT Localization Initiative (Kotoistus)</p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
<p>BITKOM</p>	<p>NO Option b, we support this CR.</p> <p>It is important to make a clear statement conc. the character set directly in the rulebooks.</p>



Contributor	Comments received
Erkki I Kolehmainen	<p>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.</p> <p>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.</p>

#### 4.21.4. SMB decision

Not to be included in the 2017 SDD B2B 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.



## 4.22. # 33: Extension of the SDD B2B return period with one additional day

### 4.22.1. Description

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

The SEPA Business to Business Direct Debit Scheme Rulebook allows for the “Return” of a collection 2 Interbank Business Days.

Scheme participants reported serious problems to perform all necessary Rulebook checks and obligations especially when the Due Date or one of the 2 subsequent Interbank Business Days of a collection is a national or regional banking holiday as the handling and reaction time of the Debtor Bank is often restricted to a few hours only.

The handling time in such a situation often does not allow the Debtor Bank to agree with the Debtor on necessary funding arrangements or to obtain a missing Debtor confirmation on the mandate-related information (MRI) in order to avoid a “Return” of the collection. In addition the impact for indirect CSM participants is often stronger than for direct CSM participants as they have to respect the shorter timeline of the direct CSM participant.

Therefore it is proposed to extend the current “Return” period from 2 Interbank Business Days to 3 Interbank Business Days.

### 4.22.2. SEMWG analysis and recommendation for the public consultation

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

### 4.22.3. SEMWG change proposal and explicit public consultation comments received

#### SEMWG change proposal

There is a majority among the EPC scheme participants (via national banking communities or via individual comments) in favour of this change request. A large number of the other contributors do support the change request.

In consideration of the overall comments received, the SEMWG proposes to include this change request in the 2017 SDD B2B Rulebook version 1.0.

#### Explicit public consultation comments received

Contributor	Comments received
Stuzza Austria	YES Incorporation in 2017
Czech Banking Association	NO Even 2 business days are causing problems for creditors.
Dutch payments association	NO DPA doesn't support this change proposal. Both Creditors as well as Debtors are demanding for a short timeline for Returns for non-refundable B2B-transactions.  At the introduction of the SDD B2B Rulebook we already agreed on a longer timeline from D+1 to D+2. The irrevocable payment guarantee of the SDD B2B Scheme is essential for the B2B-market.



<b>Contributor</b>	<b>Comments received</b>
Bank association of Slovenia	NO We do not agree with the extension of the SDD B2B return period.
Portuguese banking community	NO No. This is totally against of what should be a No Refund Scheme, including the certainty that the Creditor expects from using this scheme to make use of the funds as soon as possible.
BNP Paribas	NO The specific advantage of the B2B scheme is to provide certainty on collections as soon as possible and without refunds. Therefore it is not indicated to prolong the return period.
Slovak banking association	NO see comments under item 16.
Austrian Federal Economic Chamber, Division Bank and Insurance	YES Incorporation in 2017
Verenigde Groot Incassanten (VGI). (Dutch Association of Large SDD users)	NO No option. Should stay a maximum of 2 days which are used by all banks. Instant payments are the future standard.

#### **4.22.4. SMB decision**

For inclusion in the 2017 SDD B2B Rulebook.



#### 4.23. # 34: Make AT-59 'category purpose of the collection' mandatory instead of optional

##### 4.23.1. Description

This change request was made by the Portuguese banking community.

The contributor suggests turning the optional attribute 'category purpose of the collection' (AT-59) into a mandatory field. It will help all participants (creditor banks and debtor banks) of the scheme to identify correctly the purpose of the transaction to improve market practices.

##### 4.23.2. 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 Creditor and the Creditor Bank, the category purpose can be forwarded to the Debtor Bank and the Debtor subject to any overriding legal/ regulatory requirements. The SEMWG refers to the rules applied in datasets DS-03 and DS-04 and recommends that this attribute remains optional.

##### 4.23.3. 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 SDD B2B Rulebook version 1.0.

###### Explicit public consultation comments received

Contributor	Comments received
BNP Paribas	Yes Category Purpose usage is very limited for SDD
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).

##### 4.23.4. SMB decision

Not to be included in the 2017 SDD B2B Rulebook.



#### 4.24. # 36: Amendment to section 2.1 of the Scheme Management Internal Rules (SMIRs)

##### 4.24.1. 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.

##### 4.24.2. SEMWG analysis and recommendation for the public consultation

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

##### 4.24.3. 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 SDD B2B Rulebook version 1.0.

###### Explicit public consultation comments received

Contributor	Comments received
Danish bankers' association	YES Comments as under SCT
Nordea Bank	YES Comments as under SCT

##### 4.24.4. SMB decision

For inclusion in the 2017 SDD B2B Rulebook.



## 4.25. # 37: Making storage location for additional customer-to-customer information available outside the payment transaction

### 4.25.1. Description

This suggestion was made by the SEMWG.

The current SDD 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 SDD 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 SDD collection message.

Additional data elements/ attributes that already exist in ISO can be taken up in the SDD 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 SDD 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 Creditor provides information about the storage location of the additional customer-to-customer information in these optional fields, it is mandatory for the Creditor Bank to transport this storage location information in these fields to the Debtor Bank. In case of an arrangement between the Debtor Bank and the Debtor, the information about the storage location could be made available.

These storage location details are sent together with the SDD message but are not part of the SDD collection. 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.

### 4.25.2. 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 Creditors 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.

### 4.25.3. 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 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 SDD B2B 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
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). We advise, if the storage location is to be included by the creditor, to make use of already existing (optional) fields (e.g. free textfield)
Bank association of Slovenia	NO There is no need for additional customer-to-customer information.
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.



<b>Contributor</b>	<b>Comments received</b>
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 Comments as under SCT
Nordea Bank	YES Comments as under SCT
Payments UK	<p>YES "We have our doubts in terms of the technical feasibility on using of the ISO field ""2.94 RemittanceLocationElectronicAddress"".</p> <p>Currently, the Charater Set UTF-8 does not allow the Character '@' accordig 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. "</p>
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.
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 (for instance if new place of storage is cloud or social network)
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	<p>NO Cannot be part of the existing scheme – option e</p> <p>It is not clear how and in which extent the regulatory compliance checks (e.g. Embargo, AML) on this attribute must be done.</p>



Contributor	Comments received
Italian Association of Corporate Treasurers	<p>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.</p>
BITKOM	<p>NO The change request should not be implemented on legal grounds and because of high costs.</p> <p>The remittance information in a payment message turns up as the text on the account statement.</p> <p>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..</p> <p>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.</p> <p>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.</p>



Contributor	Comments received
Verenigde Groot Incassanten (VGI). (Dutch Association of Large SDD users)	NO As a creditor our organisation perceives a security risk due to the fact that what is now considered as a "save" entry channel of payment data could be compromised by using the data field(s) associated with the proposed change. (eg by sending links) Will the debtor bank be liable for any damages?
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.
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.



#### **4.25.4. SMB decision**

Not to be included in the 2017 SDD B2B 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.



## 4.26. # 38: Amendments to section 3.2.3.5 of the Scheme Management Internal Rules (SMIRs) and Rulebook section 5.6

### 4.26.1. 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.

### 4.26.2. SEMWG analysis and recommendation for the public consultation

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

### 4.26.3. 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 SDD B2B Rulebook version 1.0.

#### Explicit public consultation comments received

Contributor	Comments received
CLUB SEPA _ France	YES could the details (name, address) of SEPA reachable banks known by EPC be published for all SEPA participants?

### 4.26.4. SMB decision

For inclusion in the 2017 SDD B2B Rulebook.



## 5. CHANGES PERTAINING TO THE IMPACT OF THE SEPA REGULATION OR OF ANY OTHER EU LEGISLATION (“REGULATORY CHANGE PROPOSAL SUBMISSION DOCUMENT”<sup>3</sup>)

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 and of direct debit 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 SDD B2B 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 SDD B2B rulebook, will be included in the SDD B2B rulebook becoming effective on 19 November 2017.

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<sup>3</sup> 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
<b>Change Proposals resulting from PSD 2</b>		
1.7	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 5.15
2.2	<p><u>Wording change in 2<sup>nd</sup> paragraph:</u></p> <p>A Customer may only use the Scheme as a Debtor, when he is authorised by national law to opt-out from the refund right in respect of authorised transactions contained in Articles <del>61(1)51(1)</del> and <del>76(1)62(1)</del> of the Payment Services Directive (“Business Customer” or “Customer”).</p>	Reference does not match with PSD 2
4.2	<p>The Debtor Bank may reject a Collection prior to Settlement, either for technical reasons or because the Debtor Bank is unable to accept the Collection for other reasons, e.g. account closed, insufficient Funds, account does not accept direct debit, erroneous Collections (e.g. duplicates), or because the Debtor presented a request for Refusal in time, or for reasons pursuant to Article <del>9378</del> of the Payment Services Directive.</p> <p>Accordingly, the point in time of receipt in relation to a Collection coincides with the Due Date, taking into account Section 4.3.2 of the Rulebook, and as permitted by and pursuant to Article <del>7864</del> of the Payment Services Directive.</p>	References do not match with PSD 2
4.4	<p><u>Rewording in second bullet point:</u></p> <ul style="list-style-type: none"> <li>The Debtor Bank is unable to process the Collection for such reasons as are set out in Article <del>9378</del> of the Payment Services Directive.</li> </ul>	Reference does not match with PSD 2



Section	Description	Reason for change
4.4	<p><u>Rewording in the 4<sup>th</sup> paragraph:</u></p> <p><b>Refusals</b> are claims initiated by the Debtor before Settlement, for any reason, requesting the Debtor Bank not to pay a Collection. By way of derogation from Article <del>80 66</del> of the Payment Services Directive, the time period for Refusal of a Collection also includes day D.</p>	Reference does not match with PSD 2
4.4	<p>The concept of a <b>refund</b> is defined as a claim initiated by the Debtor after Settlement for reimbursement of a direct debit, but it is not part of the B2B Scheme. For this reason, access to the services based on the B2B Scheme is only authorised to Debtors allowed by the applicable national law to opt-out from the refund right for authorised transactions contained in Art. <del>5461</del> and <del>6276</del> in the Payment Services Directive.</p>	References do not match with PSD 2
5.1	<p>Third bullet point:</p> <ul style="list-style-type: none"><li>Participants need to ensure that <u>the Regulation on Information accompanying Transfers of Funds and from November 2009</u> the provisions of Title III and Title IV of the Payment Services Directive affecting direct debits enabled by the SEPA Core Direct Debit Scheme are effectively represented in law or substantially equivalent binding practice.</li></ul>	Removal of references to dates in the past
5.1	<p>Extra text added in the third bullet point</p>	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....."	<p>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.</p> <p>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.</p> <p>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.</p>
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	<p><u>Wording change in 3<sup>rd</sup> paragraph:</u></p> <p>An applicant which has been authorised as a payment institution under Article <del>1140</del> 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:</p>	Reference does not match with PSD 2
5.15	Extra text added in the third paragraph	Provide clarifications on the obligations resulting from PSD2 for non-EEA scheme participants



Section	Description	Reason for change
7	<p><u>Wording change for “Payment Services Directive”:</u></p> <p><del>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). Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 (PSD 2) entering into force as of 13 January 2018</del></p>	Reference to be made only to PSD 2.
7	<p>Add definition for “Regulation on Information accompanying Transfers of Funds”:</p> <p>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</p>	
Annex VI	<p><u>1 Context – 4th paragraph:</u></p> <p>Due to these rules, the B2B Scheme limits the risk for the Participants. Nevertheless, situations may occur where the Debtor Bank could be at risk during 13 months after the debit date when a Debtor disputes a Collection and asks the Debtor Bank for reimbursement of Collections according to articles <del>5871</del>, <del>5972</del>, <del>6073</del> and <del>8975</del> of the Payment Services Directive.</p>	References do not match with PSD 2
Annex VI	<p><u>3 Proposed procedure– step 1:</u></p> <p>This procedure applies for defective executed or fraudulent transactions notified by the Debtor to the Debtor Bank, based on the article <del>6073</del> or <del>7589</del> of the Payment Services Directive</p>	References do not match with PSD 2



Section	Description	Reason for change
Annex VII: 4.1.1	Wording change in the 9 <sup>th</sup> paragraph: (...) The term 'means' is used here in line with the term 'Payment Instrument' used in the <u>Payment Services Directive 2007/64/EC for Payments Services in article 4 23.</u> (...)	Use of the generic term for PSD
Annex VII: 5.9.1	Wording change in the 9 <sup>th</sup> paragraph: (c) In respect of any unauthorised payment transaction to which Article <del>7461(1)</del> of the Payment Services Directive applies,	References do not match with PSD 2



Section	Description	Reason for change
<b>Change Proposals resulting from the Eurosystem oversight assessment on the SDD Core scheme</b>		
<b>5.7 and 5.8</b>	Add a new bullet point: <ul style="list-style-type: none"> <li>• <u>ensure the ongoing compliance of its own rules, <del>and procedures</del> and agreements with the laws and regulations applicable to them.</u></li> </ul>	<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 <ul style="list-style-type: none"> <li>• the EPC is not expected to actively police compliance</li> <li>• the principle of proportionality would be applied</li> <li>• a reference / clarification could be added - as to scheme participants' compliance with legislation or regulation –</li> <li>• a complainant PSP would need to refer a matter to the relevant competent authority</li> <li>• the EPC itself could refer a matter to the relevant competent authority</li> <li>• <u>only</u> 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.</li> </ul>



Section	Description	Reason for change
<b>SMIRs section 3.4.4</b>	<p><u>Evaluation of Complaint:</u></p> <p>Two additional paragraphs to be added.</p> <p><u>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.</u></p> <p><u>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.</u></p>	<p>Standard 1:</p> <p><u>Compliance with legislation:</u></p> <p>See above-mentioned comment for rulebook section 5.7 and 5.8</p>



Section	Description	Reason for change
5.7 and 5.8	<p>Align the wording in <b>both</b> sections and add extra text for following bullet points:</p> <ul style="list-style-type: none"><li data-bbox="341 454 871 752">• enter into an agreement governing the provision and use of services relating to the B2B Scheme <u>only after applying the principles of Know Your Customer</u></li><li data-bbox="341 775 847 1021">• ensure that such agreement is consistent with the Rulebook <u>and that such agreement is complete, unambiguous and enforceable</u></li></ul>	<p><u>Standard 1:</u> <u>Completeness, unambiguity and enforceability:</u></p> <p>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.</p> <p>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.</p>



Section	Description	Reason for change
<p><b>SMIRs section 3.4.4</b></p>	<p><u>Evaluation of Complaint:</u></p> <p>Two additional paragraphs to be added.</p> <p><u>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.</u></p> <p><u>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.</u></p>	<p><u>Standard 1:</u></p> <p><u>Completeness, unambiguity and enforceability:</u></p> <p>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.</p> <p>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.</p>



Section	Description	Reason for change
<b>5.7 and 5.8</b>	Add a new bullet point: <ul style="list-style-type: none"><li data-bbox="343 383 874 591">• <u>enter into legally binding agreements with their direct debit service providers covering all functions performed by those providers in direct connection with the scheme</u></li></ul>	<u>Standard 1:</u> <u>Legally Binding Nature:</u> 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.
<b>7</b>	Add the definition of the direct debit service provider:  <u>direct debit 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.</u>	



Section	Description	Reason for change
<b>SMIRs section 3.4.4</b>	<p>Two additional paragraphs to be added.</p> <p><u>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, 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.</u></p> <p><u>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.</u></p>	<p><u>Standard 1:</u></p> <p><u>Legally Binding Nature:</u></p> <p>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.</p> <p>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.</p>
<b>5.7 and 5.8</b>	<p>Add a new bullet point:</p> <ul style="list-style-type: none"> <li><u>require CSM(s) to which it is connected to act in compliance with the scheme rules.</u></li> </ul>	<p><u>Standard 2</u></p> <p><u>Roles and Responsibilities</u></p> <p>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.</p>



Section	Description	Reason for change
5.7	<p>Add the following bullet point:</p> <ul style="list-style-type: none"><li><u>provide Creditors and prospective Creditors with adequate information on their risks as well as the respective rights and obligations of the Debtor, Creditor and Creditor Bank including those specified in the applicable legislation in relation to the SEPA Direct Debit in question and more in general about the secure use of direct debits, in advance of the first SEPA Direct Debit to be collected by the Creditor and in accordance with the relevant provisions in the Rulebook on the content of such information. As regards the aspects of secure use of direct debits, the further details about the information obligations are spelled out in the risk mitigation annex (Annex II) of the Rulebook.</u></li></ul>	<p><u>Standard 2:</u></p> <p><u>Secure use of direct debits</u></p> <p>The EPC should further specify the obligations of Creditor and Debtor Banks to inform payers and payees about their rights and obligations and in particular about the secure use of direct debits.</p>



Section	Description	Reason for change
5.8	<p>Add the following bullet point:</p> <ul style="list-style-type: none"><li data-bbox="344 383 882 1122">• <u>provide Debtors and prospective Debtors with adequate information on the respective rights and obligations of the Debtor, Creditor and Debtor Bank in relation to the SEPA Direct Debit in question and more in general about the secure use of direct debits, in advance of the first SEPA Direct Debit to be debited from each relevant Debtor's account and in accordance with the relevant provisions in the Rulebook on the content of such information. As regards the aspects of secure use of direct debits, the further details about the information obligations are spelled out in the risk mitigation annex (Annex II) of the Rulebook.</u></li></ul>	<p><u>Standard 2:</u></p> <p><u>Secure use of direct debits</u></p> <p>The EPC should further specify the obligations of Creditor and Debtor Banks to inform payers and payees about their rights and obligations and in particular about the secure use of direct debits.</p>



Section	Description	Reason for change
<b>SMIRs</b> <b>3.4.1</b>	<p>Add following paragraphs:</p> <p>The CAC shall oversee (...)</p> <p><u>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.</u></p> <p><u>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.</u></p>	<p><u>Standard 2:</u></p> <p>The EPC should require that participants provide their customers with all relevant information about fees related to the use of the direct debits.</p> <p>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.</p> <p>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.</p> <p>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.</p>



Section	Description	Reason for change
<b>5.7 and 5.8</b>	New bullet points: <ul style="list-style-type: none"><li>• 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;</li><li>• 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</li></ul>	<u>Standard 3:</u> The EPC should require that scheme participants report major incidents to the EPC.
<b>7</b>	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 scheme participants report major incidents to the EPC.



## **6. CHANGES 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 SDD B2B 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 SDD B2B rulebook becoming effective on 19 November 2017 even though these changes have not been subject to the 2016 SDD B2B rulebook change management cycle:

<b>Section</b>	<b>Description</b>	<b>Reason for change</b>
<b>4.7.4</b>	Change for AT-09: <del>(optional)</del> (Mandatory only if the Collection includes a non-EEA SEPA country or territory)	Add a clarification.
<b>4.7.5</b>	Addition for AT-09: (Mandatory only if the Collection includes a non-EEA SEPA country or territory)	Add a clarification.
<b>4.8.10</b>	Addition for AT-09: Mandatory only if the Collection includes a non-EEA SEPA country or territory	Add a clarification.



## 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 SDD B2B rulebook Change Request Consultation Document (EPC 013-16) 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 SDD B2B 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 SDD B2B Change Proposal Submission Document in accordance with section 4.2.5 of the SMIRs.

### 7.4. Minor changes taken up in the SDD B2B rulebook to take effect in 19 November 2017

Section	Description	Reason for Change	Type of Change
2.1	The Scheme is applicable <del>within the countries listed in the EPC List of SEPA Countries</del> SEPA as defined by the EPC	The EPC does not define SEPA	CLAR
4	<b>Removal of the second paragraph:</b> 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
4.8.13	<b>AT-12 - BIC Code of the Creditor Bank</b> A remark is added: <u>for DS-03 (customer-to-bank collection), this attribute is only mandatory when the Creditor Bank is located in a non-EEA SEPA country. This attribute remains mandatory in DS-04 (interbank collection).</u>	Provide more clarity about IBAN-Only	CLAR



Section	Description	Reason for Change	Type of Change
4.8.14	<b>AT-13 - BIC Code of the Debtor Bank</b>  A remark is added: <u>for DS-03 (customer-to-bank collection), this attribute is only mandatory when the Debtor Bank is located in a non-EEA SEPA country. This attribute remains mandatory in DS-04 (interbank collection).</u>	Provide more clarity about IBAN-Only	CLAR
5.7	effect exceptional processing ( <del>including all Rejects and Returns in relation to its Creditors' accounts</del> ) in accordance with the Rulebook,..	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.

<b>Input from:</b>	<b>List of contributors</b>
<b>Banking communities or individual banks</b>	<ol style="list-style-type: none"><li>1. Bank association of Slovenia</li><li>2. BNP Paribas</li><li>3. Citibank</li><li>4. Czech Banking Association</li><li>5. Danish bankers' association</li><li>6. Dutch payments association</li><li>7. Fédération bancaire française</li><li>8. Finnish banking community</li><li>9. German Banking Industry Committee (GBIC) and Deutsche Bundesbank</li><li>10. Luxembourg bankers' association</li><li>11. Nordea Bank</li><li>12. Payments UK</li><li>13. Portuguese banking community</li><li>14. Slovak banking association</li><li>15. Spanish banking community</li><li>16. Stuzza Austria</li></ol>
<b>Other stakeholders</b>	<ol style="list-style-type: none"><li>1. Austrian Federal Economic Chamber, Division Bank and Insurance</li><li>2. BITKOM</li><li>3. CLUB SEPA _ France</li><li>4. EQUENS SE</li><li>5. Erkki I Kolehmainen</li><li>6. European Association of Corporate Treasurers</li><li>7. Finnish Steering Group for the National ICT Localization Initiative (Kotoistus)</li><li>8. Italian Association of Corporate Treasurers</li><li>9. Koordinierungsstelle für IT-Standards (KoSIT)</li><li>10. REWE Group</li><li>11. Verband Deutscher Treasurer e.V.</li><li>12. Verenigde Groot Incassanten (VGI). (Dutch Association of Large SDD users)</li></ol>