This publication summarises the main features of the SEPA data formats as specified in the Implementation Guidelines pertaining to the SEPA Credit Transfer Scheme Rulebook and the SEPA Direct Debit Scheme Rulebooks. SEPA stands for Single Euro Payments Area. The SEPA payment schemes and adjacent Implementation Guidelines are developed by the European Payments Council (EPC), the decision-making and coordination body of the European banking industry in relation to payments.

The SEPA Schemes define sets of rules and standards for the execution of SEPA payment transactions that have to be observed by payment service providers (PSPs). The SEPA Schemes are set out in the SEPA Scheme Rulebooks approved by the EPC. These Rulebooks can be regarded as instruction manuals which ensure a common understanding between PSPs on how to move funds from account A to account B within SEPA.

The particular SEPA payment products and services offered to the customer are developed by individual PSPs or groups thereof operating in a competitive environment. The SEPA Schemes provide the flexibility and options which enable PSPs to add features and services of their choice to the actual payment products.

The latest versions of the Implementation Guidelines pertaining to the SEPA payment schemes are available for download on the EPC web site at www.epc-cep.eu (see “SEPA Credit Transfer” or “SEPA Direct Debit” on upper navigation bar).
Need for common data formats

In the world of payments processing, the role of the data format used to exchange information between banks can be compared to the role of language in communication between people. In the pre-SEPA era, dozens of different data formats were in place to process payments across different national and European clearing systems in the European Union.

The realisation of SEPA therefore requires agreement on a common set of data to be exchanged in a common syntax. The SEPA data formats as specified by the EPC for the exchange of SEPA payments like direct debits and credit transfers represent such a common data set. These formats are binding for the exchange of SEPA payments between scheme participants (payment service providers offering SEPA services that have formally adhered to the SEPA payment schemes developed by the EPC).


ISO 20022 message standards

It is important to note that the SEPA data formats do not constitute an exclusive European standard. Rather, the SEPA data formats are based on the global ISO 20022 message standards.

ISO, the International Organisation for Standardisation, is the world's developer of global standards. ISO combines the expertise of representatives from all sectors and therefore provides any stakeholder group with the opportunity to participate in the process of standard setting.

ISO has also worked on modelling financial messages. This is set out in ISO Standard 20022 (see www.iso20022.org). This standard provides a methodology for defining business processes and the related data elements. In the ISO process, business requirements are defined for all global markets. Different markets have different data needs. Thus, they may need to define their own version within the global standard, specific to its own situation. In this respect, the ISO messages have been adjusted to meet the SEPA requirements.

The SEPA data formats are a subset of the global ISO Standard 20022.

SEPA Implementation Guidelines

The role of the EPC in defining the SEPA data formats therefore consists in identifying all necessary data elements for making SEPA payments as defined in the SEPA Scheme Rulebooks within the global standard. These “core” data elements are indicated by yellow shading in the SEPA Implementation Guidelines released by the EPC with respect to the SEPA Credit Transfer Scheme and the SEPA Direct Debit Schemes.
Additional Optional Services

To allow communities of banks participating in the SEPA Schemes to provide additional optional services (AOS) based on the schemes, the EPC has also identified data elements within the global standard that can be used for this purpose\(^2\). These data elements are indicated by white shading in the SEPA Implementation Guidelines.

Customer-to-bank and bank-to-customer communication

Following the release of enhanced Implementation Guidelines for the customer-to-bank communication, in 2009 the EPC approved recommendations on the reporting of SEPA transactions by banks to their customers. As a result, fully automated Straight-Through-Processing of SEPA transactions along the entire process chain (customer-to-bank; bank-to-bank; bank-to-customer) is now possible.

European banks are leading the way

With the launch of the SEPA Credit Transfer Scheme in 2008, European banks were the first in the world to deploy the ISO 20022 message standards for mass euro payment transactions.

The SEPA data formats are globally compatible standards for the exchange of financial industry messages. The European banking industry is leading the way in terms of innovation in payments.

European Union Regulation defines mandatory deadlines for migration to SEPA

In February 2012, the European legislator adopted the ‘Regulation (EU) No 260/2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No 924/2009’ (the SEPA Regulation), which defines 1 February 2014 as the deadline in the euro area for compliance with the core provisions of this Regulation. In non euro countries, the deadline will be 31 October 2016. Effectively, this means that as of these dates, existing national euro credit transfer and direct debit schemes will be replaced by SEPA Credit Transfer (SCT) and SEPA Direct Debit (SDD). The majority of market participants recognise the value of setting a deadline for migration to harmonised SEPA payment schemes through European Union Regulation.

\(^2\) The SEPA Credit Transfer Scheme Rulebook and the SEPA Direct Debit Scheme Rulebooks released by the EPC provide detailed information on Additional Optional Services. The Rulebooks are available at www.epc-cep.eu.
34 countries
500 million citizens
87.5 billion electronic payment transactions annually