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MINUTES
4TH MEETING – EPC SCHEME TECHNICAL FORUM (ESTF)
16 SEPTEMBER 2016 - 13:00 – 14:00
Venue: conference call
(Approved by the ESTF)

Note: An overview of the action points from this meeting can be found at the end of these meeting minutes.

1. Welcome and approval of the agenda (ESTF 003-16)

The ESTF co-Chair Thomas Feiler welcomed all ESTF participants. The agenda was approved unchanged and can be published on the EPC Website.

2. Formal SMB decisions on the 2016 SCT and SDD change requests (oral report)

The ESTF members were informed about the main decisions taken by the September EPC Scheme Management Board (SMB) meeting:

- Mandatory EPC Customer-to-Bank (C2B) implementation guidelines (IGs): the SMB supports that the 2017 EPC SEPA scheme rulebooks include the obligation for scheme participants to accept at least but not exclusively C2B SEPA payment message files based on the EPC's C2B SEPA scheme IGs.
- Amendment to the SCT Return procedure allowing the beneficiary bank to return the funds when requested by the beneficiary within ten days after settlement: the SMB did not support this specific change request. From a processing point of view, the SCT transaction has been settled successfully and has been booked on the account of the beneficiary.
- Remittance information: no changes will be made in the 2017 rulebooks. 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.
- SEPA character set: no changes will be made in the 2017 rulebooks. 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.
- SCT inquiries: this change request will be included in the 2017 SCT rulebook with this change request becoming effective as of November 2018.
- 'Recall Request by the Originator': this SCT change request will be included in the 2017 SCT rulebook with this change request becoming effective as of November 2018.
- Extension of the SDD B2B collection return period with one additional interbank business day: the SMB supported this change request for inclusion in the 2017 SDD B2B rulebook.

3. Public consultation on draft SCT Inst scheme rulebook (Pres EPC048-16)

The EPC co-chair presented the September 2016 review status about the eight main categories of comments drawn from this public consultation and which had already been discussed in detail at the ESTF meeting on 25 August 2016.



The most important comment from this public consultation was what to do with the scenario where the originator bank has not received a confirmation message latest 25 seconds after the timestamp in the SCT Inst transaction. The draft of the SCT Inst rulebook submitted for the public consultation specifies that the originator bank has to assume that the transaction is successfully processed (“No News-is-Good News”).

A large number of contributors to the public consultation suggested a “No News-is-Bad News” concept whereby the beneficiary bank first would have to indicate to its CSM that it can process the SCT Inst transaction.

The two concerned EPC Task Forces supported the concept change to move from a “No News-is-Good News” to a combination of

- “Wait-and-See” for the originator bank and its CSM. The originator bank will still have the option to use an investigation procedure after 25 seconds for exceptional circumstances;
- “No News-is-Bad News” for the CSM of the beneficiary bank after 20 seconds for exceptional circumstances.

This combination would also set the 20 seconds time-out as a **hard** deadline for both the beneficiary bank and the CSM of the beneficiary bank after which a negative confirmation message will have to be sent for the received SCT Inst transaction.

A few ESTF members raised the concern that the “Wait-and-See” leg still gives room for uncertainty for the originator bank. There might be connectivity problems to transport the positive confirmation message from the CSM of the beneficiary bank up to the originator bank.

The EPC co-chair explained that the SCT Inst rulebook will specify in such situation that the originator bank can

- start the investigation procedure as defined in the rulebook right after the 25th second or
- use other communication channels available to get clarity on the status of the SCT Inst transaction or
- wait for the confirmation message to arrive

The originator bank cannot consider that the processing of the SCT Inst transaction has failed until it has received a confirmation message reporting the failure of the SCT Inst transaction.

A number of ESTF members nevertheless recommended that there needs to be a range of messages that deal with situations where the interbank parties are offline or are confronted with connectivity problems. “Heartbeat request” and “heartbeat response” messages should be within the scope of the SCT Inst rulebook, the related IGs or possibly in a separate technical document to ensure continuous availability of the SCT Inst clearing infrastructure.

The EPC co-chair informed the ESTF members about the recommendations for the other seven main categories of public consultation comments that the two concerned EPC Task Forces will propose to the EPC Board. The ESTF members did not raise questions or concerns to these proposed recommendations.



4. Management Information System needs from future SCT Inst scheme compliant CSMs (IP TF 003-16)

The September EPC Instant Payments Task Force meeting supported the contents of the EPC document outlining Management Information System (MIS) needs from future SCT Inst scheme compliant CSMs. This document was included in the mail-out of meeting documents for this ESTF meeting.

The EPC Director General explained that due to payment scheme oversight requirements set by the Eurosystem, the EPC as payment scheme owner has to collect on a regular basis statistical data on SCT and SDD transactions. The EPC will start collecting statistical data on SCT Inst transactions and r-transactions from the start of 2018 onwards.

In order to obtain a standard set of SCT Inst transaction statistics from all concerned CSMs and given the peculiarities of the SCT Inst scheme, the EPC wishes to address already now its statistical requirements to all SEPA scheme-compliant CSMs in order they can already integrate the necessary reporting tools in their developments.

Some CSM representatives indicated that it would be feasible for them to provide the statistical data against these requirements but this would cause extra costs for all concerned CSMs.

Another CSM representative remarked that there is no contractual relationship between the EPC and the CSMs that covers such regular provision of statistical SCT and SDD information. The EPC Director General emphasised that the Eurosystem itself formally requests the EPC to collect such data. With this oversight requirement in mind, the EPC will have to adapt the disclosure letters of intent for CSMs that support full compliance with one or more EPC SEPA schemes.

Following the formal approval by the EPC Board of these drafted statistical requirements, the EPC will circulate them to all existing SEPA scheme-compliant CSMs.

5. EPC role and approach in the SCT Inst scheme implementation (oral report)

The monitoring of the progress of the SCT Inst scheme implementation across SEPA will be an important activity for the EPC as scheme owner in 2017 and beyond. Information will be gathered in a systemic and frequent order so that the EPC can:

- Have an accurate view on plans from PSP communities to roll out euro instant payments based on the SCT Inst scheme
- Anticipate on potential issues, misunderstandings or specific clarification needs in the SCT Inst rulebook and/or the related IGs
- Organise itself to manage swiftly the SCT Inst scheme adherence volumes
- Inform the various PSP communities, individual PSPs, technical players, the ERPB, European public authorities as well as manage market expectations

6. AOB

No other business had been addressed.

7. Date of next meeting and closure of the meeting

Physical ESTF meetings are set on the following dates: 14 March and 22 June 2017. The meeting date of 23 August still has to be confirmed.



**List of open action items after
4th ESTF Meeting**

Item	Topic	Action	Owner	Status / Deadline
03.01	Change requests	Discuss the idea behind the 2016 change request #13 in more detail	ESTF	2017 ESTF meeting
03.02	Change requests	Discuss the 2016 change request #14 in more detail	ESTF	2017 ESTF meeting



List of participants – 4th ESTF Meeting

Date: 16 September 2016

Name	Institution	Attendance
EPC Scheme Evolution and Maintenance Working Group (SEMWG)		
Jacquelin Jean-Yves (SEMWG Chair – ESTF co-Chair)	Erste Bank (Austria)	Yes
Schindler Axel	Bundesverband der Deutschen Volksbanken und Raiffeisenbanken (BVR) (Germany)	Yes
Sramkova Helena	UniCredit (Czech Republic)	Apologies
SEPA Scheme compliant Clearing and Settlement Mechanisms (CSMs)		
Renault David	EBA Clearing	Apologies
Bär Fred	European Automated Clearing House Association (EACHA)	Yes
Feiler Thomas (ESTF co-Chair)	equensWorldline	Yes
Pfeffer Walter	Geldservice Austria	Yes
Langa José-Luis	Iberpay	Yes
Marchetta Angelo	SIA S.p.A.	Yes
Sequeira Luis	SIBS	Apologies
Beltran José	STET	Yes
Technical players or European associations of technical players that provide SCT and SDD messaging services and are not already CSMs		
Bouille Isabelle	SWIFT	Yes
Other technical players (or their European associations)		
Kislingbury Barry	ACI Worldwide	Yes
François Raphael	Azzana Consulting	Yes
Belgini Enrico ¹	Cedacri S.p.A.	Yes
Chance David	Dovetail Systems	Yes
Denis Olivier	EastNets	Apologies
Carpintero Gabriel	Hermesti Ingeniería Documental	Yes
North Craig	Microsoft	Apologies
Heinze Volker	Unifits GmbH	Yes
Observers		
To be nominated	European Central Bank	--
To be nominated	European Commission	--
European Payments Council (EPC)		
Goosse Etienne	Director General	Yes
Clarebout Bart	ESTF Secretary	Yes

¹ Alternate of Stefanelli Salvatore