

Minutes

1st Meeting of the Scheme End-User Stakeholder Forum

(Meeting held on 10 September 2015: 11:00 - 14:00)
(Venue: EPC Secretariat, Cours Saint-Michel 30a, B-1040 Brussels)

(Approved by the SEUF)

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1. Welcome and introductions (EPC218-15)

The EPC co-Chair welcomed the participants (see annex I for the list of attendees) and initiated an introductory roll call.

The members agreed that the EPC publishes the Scheme End-User Forum (SEUF) membership list on the EPC Website.

2. Approval of agenda (SEUF 001-15)

The agenda was approved unchanged and will be published on the EPC Website.

3. Notification of the Terms of Reference (ToR)

The dialogue with end-user representatives had previously taken place in the EPC's Customer Stakeholder Forum, which was established in 2007. This cooperation is now further enhanced and formalised with the SEUF. The forum's modus operandi allows for an open exchange of ideas whereby two-way communication is highly appreciated.

The scope and deliverables of the SEUF were clarified including its position in the new EPC governance structure. The SEUF will focus on existing SEPA Credit Transfer (SCT) and SEPA Direct Debit (SDD) Schemes but will also be kept informed about any new scheme developments.

The SEUF provides its views to the Scheme Management Board (SMB) which is chaired by an independent and responsible for performing the management of the existing SCT and SDD Schemes.

The EPC is still looking for new SEUF members and in particular would like to welcome representatives of consumers and small and medium-sized enterprises (SMEs).

4. Election of SEUF co-Chair representing the end-users

The co-Chair representing the end-users will be elected at the next meeting in March 2016.

The EPC co-Chair indicated his preference for the co-chairing of each meeting by both co-chairs as opposed to having a rotating chairmanship.

5. Mandatory Customer-to-Bank (C2B) implementation guidelines

The implementation guidelines (IGs) are technical implementations of the EPC SCT and SDD Rulebooks. The current customer-to-bank (C2B) IGs are optional as opposed to the interbank IGs which are mandatory for the scheme participants.

The Euro Retail Payments Board (ERPBB) recommended at its December 2014 meeting to make the EPC's C2B IGs mandatory in the next EPC SEPA Rulebook change management cycle as it would reduce costs for corporate payment service users (PSUs) in establishing and maintaining different interfaces with their PSPs and facilitate the switching of a corporate PSU between PSPs.

The EPC interprets this ERPBB recommendation as making the C2B SCT and C2B SDD Core/B2B IGs mandatory for the concerned scheme participants as a minimum standard to be accepted. Customers would however still have the choice either to continue using their current (national) C2B file set-up or to opt for the C2B file based on EPC specifications. This topic will be included as a change request in the 2016 public consultation. If approved, such mandatory C2B IGs would become effective as of November 2017.

The SEUF agreed that this would be a positive step towards further harmonisation.

6. Mandatory Bank-to-Customer (B2C) implementation guidelines

The December 2014 ERPBB agreed on the recommendation of making the EPC's bank-to-customer (B2C) IGs mandatory in the next EPC SEPA Rulebook change management cycle.

Due to the fact that payment account statements report on both SEPA and non-SEPA payments and even non-payment transactions such as securities and trade finance, the EPC had decided in the past that it was not a viable option to create B2C IGs. As an alternative, the EPC published a mapping document EPC188-09 'Recommendations on customer reporting of SCT and SDD' on the reporting of SEPA transactions by PSPs to their PSUs. The document describes how the SEPA message elements can be mapped to the account statements.

The EPC's suggested approach is to update document EPC188-09 as a first step towards harmonisation of the B2C space. This topic will be included as a change request in the 2016 public consultation.

7. Additional Customer-to-Customer (C2C) information

In the last years, the EPC has received repeated requests to allow for more than 140 characters of additional customer-to-customer (C2C) information.

Including unlimited information in the payment message itself is not an option in view of transport limitations, anti-money laundering (AML) requirements, fraud checking and due to the fact that in some countries PSPs are obliged to print account statements for free for their customers. As part of the 2014 public consultation, the EPC had already suggested a solution via which unlimited information could be stored outside the payment message e.g. in a cloud.

The SEUF members were invited to share their views and the following comments were noted:

- The EPC currently does not allow to use structured and unstructured remittance information at the same time. In ISO 20022 there are however no limitations regarding the presence of (un)structured remittance information data elements.

- No AML checks required on information that is stored in a cloud.
- Remittance information needs to be provided by a trusted source (i.e. PSPs) in accordance with auditor requirements.
- ISO has recently created stand-alone remittance advice messages.
- The use of structured remittance information should be promoted as this is the info that is needed for reconciliation and which allows straight-through processing (STP).
- PSPs cannot differentiate between structured and unstructured information and hence both information will have to be passed on to the next level in the chain.
- The number of characters is not the issue, it is the fact that info is not provided in a standardised way.
- A one size fits all solution is needed.
- Information should be standardised and harmonised.

Based on the input of the SEUF members, the EPC co-Chair summarised the two options that will be presented to the SMB as follows:

Option A:

- Allow combined use of structured and unstructured remittance information.
- Allow for only one occurrence of unstructured remittance information.
- Allow approximately 10 structured remittance information instances.

Option B:

- Additional C2C information (>140 characters) is stored in the cloud, only a location¹ reference is included in the actual payment message. The information can be downloaded from the cloud by the PSP or PSU (i.e. 'EPC proposed solution')
- Some SEUF members have concerns about the feasibility of the cloud solution.

8. Potential use of Legal Entity Identifier (LEI) in EPC SEPA Schemes

The ERPB meeting on 1 December 2014 agreed on the recommendation for the EPC to look for more appropriate attributes in a long term perspective (e.g., Legal Entity Identifier (LEI) as a unique entity identifier) to identify a creditor.

The EPC has made a first analysis about the potential added value of the LEI in the SDD and the SCT Schemes but 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 creditors is very low compared to the current number of creditors. The EPC is of the opinion that once the LEI is broadly used by corporate legal entities the SDD Rulebooks (and maybe even the SCT Rulebook) could be adapted to foresee the use of the LEI.

The following comments were noted:

- An additional code would be helpful to correctly identify the counterparty. The LEI might not be the right code in this context but a fiscal code or VAT code could be used as a reliable alternative to help the beneficiary identify from where the money was sent.

¹ i.e. reference to where the additional C2C information is stored (e.g. a URL)

- Identifier codes should be neutral and interoperable.
- The LEI cannot be used to identify consumers.
- The need for an identifier code that could be used for companies and consumers is a topic that is being discussed by the European Commission as part of the Europe 2020 strategy (digital agenda).

The EPC co-Chair added that PSPs would welcome the availability of an identification code that would cover for all types of PSUs.

9. Public Consultation on proposed changes to the SMIRs

The Scheme Management Internal Rules (SMIRs) cover the rules for i) the administration and compliance functions of SEPA Scheme Management and ii) the maintenance, development and evolution function of SEPA Scheme Management.

Section 4.4 of the current SMIRs already outlines the role of the SEUF with regard to the possibility of providing comments on the submitted change proposals. However, the aim of the new proposed version of the SMIRs is to increase the transparency of the evolution of the EPC SEPA Scheme Rulebooks and to enhance the involvement from end-users and technical players in the change management process.

Subject to approval from the SMB and EPC Board, the EPC will launch (October 2015) a 90 calendar day public consultation concerning the proposed changes to the SMIRs on the EPC Website.

10. 2016 EPC Rulebook change management cycle

The stakeholders were reminded of the invitation to submit proposed changes to the EPC Rulebooks before the 31 December 2015 deadline.

Next, the EPC will analyse the received change proposals during the first quarter of 2016 following which a public consultation is expected to be launched around May/June 2016.

At the March 2016 SEUF meeting a first status update will be provided on the 2016 change cycle process. The August 2016² meeting will be used to prepare the SEUF's position concerning change request recommendations to the SMB.

Based on feedback from the public consultation and input from the SEUF, the EPC Scheme Technical Forum (ESTF) and Scheme Evolution and Maintenance Working Group (SEM WG), the September 2016 SMB will decide which change requests will be implemented.

11. Update on EPC work on Instant Payments

In its 1 December 2014 meeting the ERPB had announced the need for at least one pan-European instant payment solution for euro, open to any PSP in the EU and hence invited the supply side of the industry (in close cooperation with the demand side and with the active involvement of the EPC as a potential scheme developer) to make an assessment of the issues related to pan-European instant payment solutions in euro to be presented at the ERPB meeting in June 2015.

² End of August or beginning of September 2016 meeting date still to be confirmed.

Following the June 2015 ERPB meeting, the EPC was invited to present to the ERPB by November 2015 a proposal for the design of an instant SCT in euro, which could be adhered to by EU PSPs on a voluntary basis.

The EPC created an ad hoc task force in order to produce the design of an SCT Instant Payment Scheme, i.e. a document including all key functional and business requirements proposed to be covered by the future Scheme Rulebook. An ERPB High Level Group on instant payments was equally created to monitor and guide the EPC on this topic.

Subject to approval by the November 2015 ERPB, the EPC is likely to start work on the development of an SCT instant payments rulebook (note: In the view of the EPC this would be an optional scheme).

12. AOB

The following additional topics were discussed:

- IBAN discrimination cases.
- SDD reachability issues in specific countries.
- Divergent costs related to failed SDD transactions.
- SDD rejects due to duplication.

13. Date of next meetings and closure of meeting

The next SEUF meeting will be scheduled on 31 March 2016 (11-16 CET) at the EPC premises in Brussels

Annex I: List of attendees of the 1st SEUF meeting on 10 September 2015

Name	Institution	Attendance
Co-Chairs		
Jacquelin Jean-Yves (SEMWG Chair)	Erste Bank (Austria) – Representing the EPC	Yes
TBA	Representing the end-users	
EPC Scheme Evolution and Maintenance Working Group (SEMWG)		
Begoña Blanco Sanchez	ING (Belgium)	Yes
Roland Flommer	DSGV (Germany)	Apologies
Carsten Thaarup	Nordea (Denmark)	Yes
Jose Vicente	Millenium BCP (Portugal)	Yes
European Associations of Users of the SCT and SDD Schemes Members		
Christian Dürig	The Federation of European Direct and Interactive Marketing (FEDMA)	Yes
Paul Alfing	Ecommerce Europe	Yes
Günther Lutschinger	European Fundraising Association (EFA)	Yes
Massimo Battistella	European Association of Corporate Treasurers (EACT)	Yes
Ingmar Böckmann	European Multi-channel and Online Trade Association (EMOTA)	Yes
Nicolai Staerfeldt	European Fund and Asset Management Association (EFAMA)	Apologies
Arnaud Crouzet	EuroCommerce	Yes
Observers		
Pierre-Yves Esclapez	European Commission	Yes